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5 September 1980

LATIN AMERICA REPORT

No. 2185

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INTER-AMERICAN AFFAIRS

BRIEFS

URUGUAY ASKS EXTRADITION FROM COLOMBIA--Montevideo, 22 Aug (AFP)--According to a report carried in LA MANANA newspaper today, the Uruguayan Government has requested the extradition of two Uruguayan citizens who are under arrest in Colombia. The two Uruguayan citizens are Victor Vibanco and Sergio Betarte who are now trying to find asylum in European nations because they are being accused of belonging to the M19 Colombian terrorist organization, LA MANANA says. According to this newspaper, the Netherlands Government has just turned down a request by Vibanco to take asylum in the Netherlands on the grounds that he once belonged to the Montoneros and that he had been involved in the murder of Uruguayan Col Artigas Alvarez. The Netherlands Government also noted that Vibanco had been arrested in Colombia because he was an instructor for the M19 terrorist group. LA MANANA stressed that the Netherlands Government's refusal may work in favor of the Uruguayan Government's extradition request made to the Colombian Government last Monday. As far as Betarte is concerned, LA MANANA indicated that his case is even more complicated since he confessed to having been an adviser to the M19 terrorist organization. [Text] [PY221918 Paris AFP in Spanish 1202 GMT 22 Aug 80]

ARGENTINE GRAIN TO MEXICO--(NA)--An important grain purchase agreement was signed by Mexico and Argentina yesterday in Buenos Aires. By it Argentina agrees to sell Mexico a minimum of two million tons of maize, sorghum, soya and sunflower during 1981 and 1982. The agreement allows for larger amounts to be exported should both countries wish so. The grain agreement was signed by Argentine Trade Secretary Alejandro Estrada and Mexican Trade Secretary Jorge de la Vega Dominguez. [Text] [PY141754 Buenos Aires HERALD in English 14 Aug 80 p 11]

IICA COOPERATION--The Inter-American Institute of Agricultural Sciences (IICA), through its Director General Manuel Rodriguez, sent a telegram to Foreign Minister Gen Javier Cerruto stating the IICA's proposal to continue to cooperate with the National Reconstruction Government headed by Gen Luis Garcia Meza. Rodriguez also congratulated Gen Cerruto on his appointment as foreign minister and wished him success in his new post. The telegram, addressed to Minister Cerruto, states that "This institute which belongs to the inter-American specialized system offers you all the cooperation we can grant." [PY221906 La Paz EL DIARIO in Spanish 6 Aug 80 p 5]

ARGENTINA

SUPREME COURT RULES ON HABEAS CORPUS RIGHTS

Buenos Aires LA PRENSA in Spanish 5 Aug 80 pp 1, 11

[Text] The Supreme Court, as it is currently made up, says that it has previously, in three earlier cases on which it ruled in 1978 and 1979, upheld the view that the institution of habeas corpus, designed basically to ensure immediate restoration of freedom to those illegitimately deprived thereof, requires that the judicial procedures which the circumstances reasonably dictate be completed, in order to make the goal of that procedure endorsed by the constitution and by the law efficient and expeditious.

It has also upheld the fact, it adds, that the safeguarding of freedom of movement for the expeditious protection of which habeas corpus was established should not be deferred to any other process, and that on this same basis, it has long maintained that the measures which can be invoked to regain individual freedom should not be interpreted restrictively.

In application of this doctrine, it reversed the decision of the Second Chamber of the Federal Criminal and Correctional Court which had not found in favor of the suit of habeas corpus filed on behalf of Celia Sara Machado, Jorge Lucio Rebori and Humberto Rebori, which also upheld the ruling of denial in the first instance.

In reversing this negative verdict, the Supreme Court, in a judgment signed by Drs Adolfo R. Gabrielli, Abelardo F. Rossi, Pedro J. Frias and Elias P. Guastavino, with the principal agreement of Prosecutor General Dr Mario Justo Lopez, ordered that the records be returned to the court of origin so that the pertinent authorities can proceed in accordance with the ruling, that is to say to adopt the measures necessary properly to clarify the facts asserted.

Position of the Chamber

In the ruling of the Federal Chamber now reversed, as we said, it was adjudged that according to the reports pertaining to the case, the beneficiaries of the habeas corpus motion did not appear to have been deprived of their personal freedom by any of the bodies of the state.

The Federal Chamber maintained that this measure was provided by the law for possible cases of illegal detention and not to establish the whereabouts of individuals nor for the investigation of crimes of which they might be victims either, since this must be submitted to the competent judge, and that when the investigative courts of this capital have undertaken to clarify a possible criminal action, it falls to that instance to go deeper into the facts, since to launch the requested investigation would entail an overlapping of jurisdictional activities.

For these reasons, this court of appeal rejected the habeas corpus petition, which in turn was the cause of the appeal for extraordinary remedy, which, finally, gave rise to the present complaint, which the Supreme Court decided in the final instance to allow.

The Appellant's Petition

Before rendering its verdict, the high court undertook an examination of the following points in its petition of the appellant, which the latter had filed.

1. Recognition of habeas corpus as a jurisdictional safeguard against any illegitimate detention threatening the life and freedom of an inhabitant of the nation;
2. In view of the categorical refusal by the officials in charge of exercising the authority of the state, the implementation of the measures listed in the points included in the document initiating the appeal is ordered;
3. Exhibition of the file on the investigation into illegitimate deprivation of freedom initiated at the national court of the first instance in criminal investigation No 8, Secretariat 132, filed under "Charges Against Barcesat, Eduardo S." is requested;
4. This court issues instructions to the lower courts, via the superintendency, in order to prevent confirmation of routine frustration of the right and possibility of concrete implementation of the institutional postulates contained in the Perez de Smith ruling--judgment dated 21 December 1978.

The petitions to which points 1 and 4 above refer, the court said, exceed the authority conferred upon the court by the national constitution and the laws, consistent with the reasoning set forth in the opinion of the prosecutor general, not reproduced here in the interest of brevity.

This last-mentioned official said in his report that "it is the essence of the court authority to resolve actual clashes of rights rather than making general declarations, as the Supreme Court has long maintained, with

reference to the first petition and with relation to the fourth, and the supervisory authority of the court does not allow general instructions such as those sought concerning the method and form in which the lower courts should carry out their duty."

The protection granted by Article 18 of the national constitution against any illegitimate detention, he added, covers the habeas corpus procedure and adequate investigation within it to guarantee the real effectiveness of the constitutional guarantee.

As a consequence, he warned, a federal issue arises from the decision concerning the scope given to habeas corpus by the constitution and the law, without prejudice to the fact that the case requires analysis of the reasonable nature of the specific investigation measures proposed, in order to prevent this latter aspect, in principle alien to the special jurisdiction, from frustrating the federal rights in question.

Arguments Invalid

In conclusion the court expressed the view that the arguments set forth by the Federal Chamber to justify its denial ruling are inconsistent with the guidelines previously and initially summarized.

In this case, it made a point of stating, the federal court of appeals could and should pursue the investigation, taking the steps necessary to clarify the actions charged properly.

In particular, it concluded, rejection of the proof in evidence offered contributed to invalidating the resolution being appealed, as the prosecutor general said in his report in that connection.

This ruling should therefore be rendered null and void so that the steps necessary to the full pursuit of the goals of the habeas corpus procedure can be taken in the proper quarter, as set forth above.

Therefore and with the principal agreement of the prosecutor general, the court reversed the ruling being appealed and ordered the return of the documentation to the court of origin so that the pertinent authorities can proceed in accordance with what has been set forth here.

5157

CSO: 3010

ENERGY PLAN UNTIL YEAR 2000 DISCLOSED

PY261703 Buenos Aires TELAM in Spanish 1212 GMT 23 Aug 80

[Excerpts] Buenos Aires, 23 Aug (TELAM)--The State Energy Secretariat has prepared the national plan to supply equipment for the power-generation systems and power lines for the 1979-2000 period. It is estimated in this overall plan for the electric power to be produced by the end of the century that 70 percent will be hydraulic, 20 percent nuclear and 10 percent thermal, according to spokesmen of this secretariat.

The plan indicates that studies which have been carried out have set the proven hydroelectric potential at 136,000 gigawatt hours, which would be enough to supply the needs of the country until the year 2000, even if no other kinds of powerplants were installed. Detected but not fully proven potential would amount to 200,000 gigawatt hours, which would supply needs beyond the above-mentioned period.

The plan also states that currently available liquid hydrocarbons will not be enough if the present consumption rate is maintained and no new deposits are found; however, prospecting is actively underway.

On the basis of recently discovered gas fields, reserves of this commodity are ample, while known coal deposits will be just enough for a moderate rate of consumption unless large amounts of money are invested in further development. Uranium reserves are encouraging but huge investments and special technology are required to attain self-supply. Nonconventional energy sources do not offer a significant contribution at the industrial level.

The studies show the need to implement the following guidelines when drawing up the plan: 1. to restrict the installation of conventional thermal powerplants to those strictly indispensable. 2. to step up the development of hydraulic power sources. 3. to carry out a program for the installation of nuclear powerplants which will allow the country to actively maintain this technology and to be ready for its swift development during the final years of this century.

In connection with the latter item, and in line with the instructions of the national executive branch, the energy secretariat has arranged with the National Atomic Energy Commission a plan which provides for the installation of four nuclear powerplants during the coming 18 years. This plan has already been approved by the national government and incorporated in the overall power plan.

This plan is accompanied by an economic and financial analysis on the feasibility of executing the projects while keeping rational rates. This latter study has been carried out nationwide and has included national, provincial and municipal enterprises and organizations, as well as the binational entities charged with building and operating power systems.

CSO: 3010

GALTIERI UNDERSCORES IMPORTANCE OF TANK PRODUCTION

Buenos Aires LA NACION in Spanish 25 Jul 80 p 5

[Text] "What you gentlemen are doing today is to contribute to the political decisionmaking capacity of the Argentine nation to affirm its determination to preserve its independence within the international context," said Lt Gen Leopoldo Fortunato Galtieri during an address he delivered yesterday to the personnel of the TAM (Argentine Medium Tank) Assembly Plant during his visit to these installations which are connected to the Esteban de Luca Arsenal in Boulogne in the Buenos Aires area.

He stressed the sacrifice implied in the fact that all Argentines were able to put together the country's first armored vehicle assembly plant as a result of the common hard effort launched 6 years ago in response to the result of a thorough analysis of the international situation's evolution.

Inspection

Lieutenant General Galtieri arrived at the plant at 0930 on board a helicopter which landed in the plant's garden; there he was received by Brig Gen Eugenio Guanabens Perello, G-4 (Logistics), General Staff, and by Brig Gen Horacio J. Varela Ortiz, project manager. In their company he then greeted the top management officials and the civilian management personnel and received a briefing from Gen Varela Ortiz.

The speaker pointed out that "getting a battle tank is just one more contribution to the development of the country's heavy industry" and that the creation of a project of such importance "demands possession of a high level of research capacity and advanced technology in a large number of fields."

Self-Sufficient

"They include subjects from automation all the way to electronics, including the no less important subjects of structural design, armaments, optical equipment, and the development of manufacturing processes in a complex environment based on materials that are difficult to get; this of course also means that one must have a powerful industrial infrastructure."

He added that, in view of the success achieved in the production of a combat vehicle that is equal to the best in the world, one cannot fail to recognize the "responsible and self-sacrificing contribution made by numerous domestic companies which managed to find the proper solution that would permit the country to become independent of foreign assistance." And he noted that self-sufficiency in the supply of armored vehicles is highly important not only in equipping the Armed Forces but also enables the nation to go abroad and compete on the armored vehicle market.

Private Industry

It must be emphasized in this respect that the only countries that make armored vehicles are the United States, the Soviet Union, France, Sweden, Italy, Great Britain, West Germany, and now Argentina.

In his address, Gen Galtieri said that the army, in establishing this industry, contributed a new source of jobs for thousands of workers, technicians, and engineers; it also made a contribution to the development of private industry "which has faced the challenge of achieving the high technology demanded by the quality of these equipment items."

Projects

The visitor was later on briefed on the aspects of all of the various parts that go into the production of the 30-ton TAM in the San Martin and Rio Tercero Plants, as well as from private suppliers.

Details were supplied also on other development projects, such as the VCTP [APC] and the VCTM [Armored Mortar Carrier] for personnel transport and an 120-millimeter infantry support mortar, respectively. Others involve a command vehicle and 155-millimeter gun on TAM chassis.

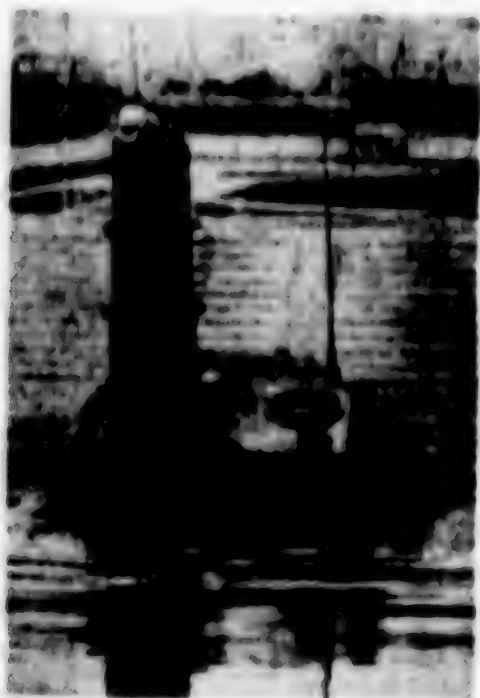
Trials

He was also briefed on the wheeled amphibious recon vehicles which fire high-penetration-power flechette projectiles; these projects are being contemplated in cooperation with the French Panhard and Creusot-Loire companies.

Later on, Lieutenant General Galtieri witnessed a series of trial runs by armored vehicles on the test track. In that connection, a TAM, equipped with a snorkel pipe, submerged to a depth of 4.5 meters in a water basin, from which it emerged afterward and advanced up a steep slope. Another tank, equipped with pontoons [floats] likewise went through the basin at regular speed without difficulty.

Before leaving, Lieutenant General Galtieri greeted newsmen who had accompanied him during his inspection visit and said that various countries

already have requirements for the procurement of the TAM but that it will first of all be necessary to take into account the requirements of the nation's army.





Three phases in the versatility trials of the TAM: the tank enters a basin where the water is 4.5 meters deep. Once submerged, an observer, placed in a tube on top of the turret, gives the driver instructions on driving. The tank emerges after having run underwater for a distance of approximately 100 meters.

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CSO: 3010

CAUSES LEADING TO REFORMULATION OF BUDGET DEFINED

Buenos Aires CLARIN in Spanish 29 Jul 80 p 15

[Article by Alcadio Ona: "Adjustment Inevitable"]

[Text] The announcement released yesterday by the Ministry of Economy is something rather novel in that it relates to the change in the 1980 National Budget; this announcement is published on the preceding page but does nothing more than bring to light a question which has been under consideration in the Finance Secretariat for at least 2 months. The redrafting of the budget was inevitable in view of the 10 July announcements. It was also implicit in the rather tight calculations included in the law that is still in force.

Prior to 10 July

It suffices to note that the treasury deficit during the first 5 months of the year--the latest data available--took up 78 percent of the anticipated imbalance for the entire fiscal year, leading to the conclusion that the discrepancy in accounts existed already in May. Or, to put it another way, the implicit price rise rate during the first half of the year--prices made up of wholesale prices to the extent of 66.66 percent and retail prices to the extent of 33.33 percent--accounted for almost 87 percent of the annual estimate. We must also bring up here the most recent element of judgment on the state of the program approved only 4 months earlier: as of last Wednesday, the advances of the Central Bank to finance treasury imbalances, requiring money issue, added up to a total of 2.953 trillion pesos.

Thus, between the increase in appropriations deriving from a rate of inflation substantially higher than the anticipated rate, the impossibility of relying on some contributions anticipated in the beginning, and, finally, a real expenditure level higher than the one contained in the program in force, initial studies prepared by the Finance Secretariat came up with a total deficit in the public sector on the order of 5 percent: 66.66 percent higher than the budgeted figure. This maladjustment came about in spite of the fact that tax pressure this year will reach unprecedented levels which in turn reduced public investments, transfer of services--

in many cases showing a deficit--to the provinces, and substantially cutting contributions from the treasury to government enterprises and provincial budgets. There has also been an accumulation of unpaid drafts adding up to 749,584 billion pesos during the first 5 months.✓

After 10 July

The announcements released by the economy minister on 10 July in fact will boil down to another turn of the screw in the discrepancies in public accounts. An additional equivalent amounting to one point of the GDP--around \$1 billion--would add to the budget deficit, between October and December, a fiscal requirement springing from the elimination of employer contributions to retirement funds.

The increase in domestic taxes on cigarettes and alcoholic beverages as well as the proceeds from the additional increase planned for gasoline would provide only rather thin coverage.

A first approximation concerning the measures announced on 10 July would yield a public sector deficit equivalent to 7 percent of the GDP according to statistics available in the Finance Ministry.

This would not necessarily mean that FY 1980 would end with an imbalance of this magnitude. First of all, among the decisions that were not announced would be the postponement of the additional 7 percent for the grade status that would have to be awarded to civil servants as a result of the increase in this coming September; pay would once again, as in earlier years, be turned into one of the variables behind the adjustment of budget accounts. Another one would involve a cutback in investments.

Although nothing has been stated officially, the bulk of the increased requirements for financing the fiscal imbalance would be covered through money issue, plain and simple--a step which the economic authorities in 1976-1977 ruled out as the main source of inflation. This means that we would definitely have lost ground on one of the measures expressed in the 1980 National Budget Message: "Reiterating the objective of earlier years," it says in one particular paragraph, "we do not expect to resort to monetary financing for public expenditures, except temporarily, for seasonal reasons or in amounts without any real significance."

The fact is that monetary financing was used for appropriations practically without interruption throughout the entire first half of the fiscal year--and this was done in really significant amounts, as proved by the almost 3 trillion pesos constituting the advances of the BCRA [Central Bank of the Argentine Republic] and the treasury.



Public sector deficit in percent of GDP. Key: 1--Budget law; 2--Estimate prior to the announcements of 10 July; 3--Estimate, taking into account the fiscal effects of the measures announced on 10 July; 4--Treasury deficit in thousands of millions of pesos; 5--Budgeted in 1980; 6--First 5 months.

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EFFECTS OF NEW ECONOMIC MEASURES ON AGRICULTURE

Zorreguieta's Views

Buenos Aires LA PRENSA in Spanish 5 Aug 80 p 4

[Text] The secretary of agriculture and livestock, Mr Jorge Zorreguieta, gave assurance that the income return from grain production would increase during the 1980-81 working season, owing to "the twofold effect of the implementation of the economic measures announced on 10 July by Minister Martinez de Hoz and the price hikes which have occurred on the international market."

During the course of a press conference, the official claimed that the marketing of the next wheat crop would be guaranteed, since it is anticipated that there will be a production amounting to 8.5 million tons, 4 million of which will be exportable. With regard to this volume (he said), it must be realized that 1.1 million tons have been promised to Iraq and China, 1 million to Brazil, and another million to various Latin American countries.

He added, in this connection, that a large demand is expected from the Soviet Union (a country to which we have sold corn, sorghum and soybeans, but not wheat), which requires about 13 million tons. Of that total, 10 million tons are assured it by various supplying nations, leaving a remainder of 3 million tons, which Argentina could readily provide.

Zorreguieta was accompanied by the undersecretary of agriculture, Camilio Aldao; the undersecretary of agrarian economy, Enrique Gobbee; and the head of the National Grain Board, David Lacroze.

As for the elimination of the provisional contributions by the producers, the secretary of agriculture noted that there would be no major effect in the case of the crops that require a relative amount of labor, but that there would be an effect on the regional economies, especially in the case of combined fruit and garden produce, or garden produce industrial crops.

Reverting to the prospects for wheat production during this working season, he stressed the fact that it is intended to plant 5.5 million hectares, a figure that would exceed the previous one by from 10 to 12 percent, although

he remarked that this number may be reduced as a result of the recent rainfall that has occurred, particularly in Buenos Aires Province.

The Income Return

In commenting on the outlook for income return from the leading grains, he observed that it has improved, warranting the assertion that the increases would be due, equally, to the effects of these economic measures and to those of the rise in world prices.

With respect to these measures, he claimed that the mere elimination of taxes equivalent to 5.5 percent of the FOB value, in addition to the 4 percent of the national emergency tax for agricultural and livestock production, has caused a total rise in existing prices of slightly over 10 percent.

As for the rise in international prices, he attributed it to the problems of intense drought in the nations of the northern hemisphere, particularly the United States and Canada.

Wheat

In the individual case of wheat, he said that, prior to the effect of the aforementioned factors, it would have required 12.5 quintales to cope with the expenses per hectare of crop, whereas now that figure has been reduced to 9.24 quintales.

Insofar as corn is concerned, following the same methodology, under the conditions that prevailed 30 days ago, 30.54 quintales were needed to "exchange the money," a sum which will decline to 23.61 quintales; and in the case of soybeans, 25.49 quintales were required, a figure which later dropped to 17.65. In the case of sunflowers, it took 14.30 quintales to pay the costs with the previous price, and it now takes 7.41 quintales, owing to the effects of the prices and measures.

Finally, Zorreguieta remarked that another way of reckoning the variation in income return is through the increase in the so-called rates of return; in other words, how many pesos are accrued for each peso invested. He said: "According to the calculations made of this, in the case of wheat, with 16 quintales per hectare, the rate has increased from 1.27 to 1.69; in the case of corn, with 30 kilograms of yield per hectare, it has risen from 0.99 to 1.22; in the case of soybeans, with 20 quintales, it has increased from 0.81 to 1.11; and, in the case of sunflowers, with 10 quintales, the rate of return has risen from 0.64 to 1.28."

The official concluded by stating that Argentina, and the sector producing grain and oleaginous crops, are facing a major change in prospects which has occurred between the beginning of July and the present.

(1) **RENTABILIDAD DE PRODUCCION TRIGO** (1) (a)
 • Campaña 1980-81

(2) Rendimiento (qq)	(3) Situación actual			(6) Nueva situación en la campaña 1980/81 resultante de aplicar las nuevas medidas (4) (d)
	Precio Anterior (4) (2) (b)		Nuevo Precio. (5) (3) (c)	
12	0,99		1,11	1,25
16	1,27		1,41	1,59
20	1,53		1,69	1,89
24	1,76		1,94	2,17
28	1,98		2,17	2,42

NOTAS: (1) Relación entre ingreso por hectárea y gastos más amortización por hectárea. (2) Precio
 junio. (3) Precio actual. (4) Eliminación de impuestos a la comercialización, y del aporte de \$ 1
 (7) por ciento sobre sueldo para S.S. y del 5 por ciento para FONAVI.

Key:

1. Income Return From Wheat Production, 1980-81 Working Season (a)
2. Yield (quintales)
3. Current situation
4. Former price (b)
5. New price (c)
6. New situation in the 1980-81 working season resulting from the implementation of the new measures (d)
7. Notes: a. Ratio between income per hectares and expenses plus depreciation charges per hectare. b. June price. c. Current price. d. Elimination of taxes on marketing and of the contribution of 1 percent of the wage for social security and of 5 percent for FONAVI [National Housing Fund].

Long-Range Benefits

Buenos Aires LA OPINION in Spanish 30 Jul 80 p 9

[Text] Diamante, Entre Rios--Yesterday, the governor of the province, Brig Gen (ret) Carlos Enrique Aguirre, officiated at the "Third Session of the Grain Exchange of Entre Rios," at a rural establishment in this department, stating on this occasion that "the outlook in view for the next coarse grain harvest is favorable."

He based this claim on the fact (as he said) that "the country has virtually sold half of its production through various contracts; and, in addition, there is a difficult situation with regard to production in the northern hemisphere."

He also declared: "The producer too should accrue a larger income owing to the elimination of direct taxes recently announced by the national government."

In his speech Governor Aguirre cautioned that, "despite these favorable prospects, we should not fail to be realistic."

He added: "The overall situation is difficult, and agriculture in Entre Rios has not escaped the process of structural overhauling that is under way in the country."

However, he reaffirmed: "We are convinced that this entire process of change is constructive, and therefore represents growth." He then remarked: "All growth has a price, and that price finds us currently in the period of greatest demand."

He acknowledged the fact that the agricultural and livestock sector "is contributing its great share to the country," urging the producers in attendance not to allow themselves to be diverted by incidental matters "which prevent us from dealing with essential matters."

In conclusion, he announced two measures offering financial backing for the agricultural and livestock production in Entre Rios.

They involve the establishment of individual loans to be used to pay the costs of tilling, land restoration, seed purchases and protection for the corn, sorghum and soybean crops, and the purchase of cows with calves or pregnant cows, and pregnant heifers.

The loans will go into effect as of 15 August of this year.

Both measures supplement others adopted at appropriate times by the Entre Rios government, such as the programs for clearing land and the creation of meadowland, and the loans for planting wheat and flax.

Increased Growing Area

Buenos Aires CLARIN in Spanish 31 Jul 80 p 12

[Text] The undersecretary of agriculture of the nation, Camilo Aldao, acknowledged the fact that, "The country's agrarian sector is undergoing a difficult period, but we realize that there must be an exhaustive analysis of each agricultural and livestock sector, for they are the ones bearing the brunt of the economic policy."

This statement was made in the town of Diamante, in Entre Rios Province. The official then emphasized that, "These obstacles will be reduced by the measures recently announced by the minister of economy of the nation, which will be carried out shortly."

He subsequently declared: "We are quite convinced that the prices for the Argentine producer during the next harvest will be profitable and (he added) this year we must plant the largest possible number of hectares."

Aldao noted: "This is perhaps the most difficult course of action, requiring the greatest effort from the producer; but we believe that it is the one that will leave the country on firmer foundations for becoming disencumbered and returning to the large agricultural and livestock production that we have had in other years."

He also predicted that the outlook for prices for the fine and coarse grain crops is encouraging, basing his forecast on the weather problems that have occurred in the northern hemisphere which (he said), "we estimate will have repercussions and which are already having repercussions on international prices."

2909

CSO: 3010

VAT REFORMS, STRUCTURE EXPLAINED

Buenos Aires LA PRENSA in Spanish 24 Jul 80 p 5

[Text] Some of the provisions of the bill for the general institution of the value added tax (VAT), drafted by the Ministry of Economy, were revealed yesterday.

According to the basics of this bill, the elimination of the exemptions from the VAT is designed to make sure that this tax will cover a larger portion of goods and services; at the same time, an important quantity of taxes and miscellaneous contributions is being eliminated and most of them are earmarked for specific purposes so that the additional amount to be collected through the extension of the VAT will in broad figures be equivalent to what is lost through the taxes that are to be dropped.

On the other hand it is noted that the VAT is so structured as to be applied in a generalized form. Exemptions create administrative and economic problems which are difficult to resolve. From the viewpoint of tax administration, the broader the area of application of this tax is, the greater are the possibilities of control due to the tie-in between sales and purchases until the final consumer is reached. Evasion turns out to be more difficult the more items are subject to the VAT.

Agricultural and Livestock Producer

Later it was stated that although it would have been correct to include the agricultural and livestock producer directly in the tax, it was preferred to opt for a practical solution in view of the large number of producers--some 600,000--and the administrative difficulty deriving from that.

This is why--it was pointed out thereafter--the reform was so structured as to collect the tax during the stage after production, when there is greater concentration, and, therefore, a smaller number of new taxpayers covered by this tax.

Effect on Prices

It was also stressed that the general institution of the VAT, and especially its extension to fresh food products, will have an effect on the general price level only once. Although the simultaneous elimination of various taxes on transactions does reduce the impact, that impact nevertheless does exist. This is why it is important to point out that the elimination of the 5-percent contribution to the FONAVI [National Housing Fund] and the tax for the National Council of Technical Education would approximately compensate for this impact on the prices for those persons who are in an employee relationship.

Naturally--it was added thereafter--for sectors which currently do not pay these taxes the impact deriving from the higher price will not be accompanied by any compensation. But the ultimate idea here is to promote a greater balance between those who are employees and those who are self-employed for the purpose of preventing the development of a fiscal and parafiscal system which would constitute a relatively heavier burden on wage workers which in turn would cause distortions in the economic structure, making it appear as though the task of the one-man outfit is more efficiently accomplished than that of a larger enterprise even in cases where--assuming that social expenditures are the same--this would not be the case.

Moment of Application

It was also pointed out that the moment when the provisions contained in this bill produced their effects will have to be selected very carefully, keeping in mind the general economic policy standards. This is why the executive branch is to be given authority to determine that moment, although certain changes may still be made in an immediate form.

Establishments and Services Covered

Here are some of the establishments and services included in this bill: bars, restaurants, canteens, tea rooms, pastry shops and in general those that supply food or beverages in premises inside or outside, with the exception of services provided in places of work, medical establishments or teaching establishments--government or private establishments recognized by the state--so long as they are for the exclusive use of personnel, patients, or attendants or students.

The bill also covers establishments and services involving the following: hotels, inns, boarding houses, hospitals, motels, with rentals by the hour; bath houses, massage parlors, and similar establishments; swimming pools and gymnasiums; barber shops and beauty shops; parking lots and garages; dyeing plants; sewerage and drainage services or telecommunications, with the exception of ENCOTEL [National Mail and Telegraph Enterprise]; gas, running water, and electricity services; furniture or movable property; tents, awnings, umbrellas, and other beach or pool items;

services involving deposit or conservation in refrigeration chambers; recreation furniture; slaughtering and fattening of animals; repair, maintenance, and cleaning of real property; services involving the preparation or coordination of work or projects involving real estate, such as those performed by architects, engineers, coordinators, supervisors, and planners; and services involved in the ticket price to performances of any kind whatsoever.

Distribution of Money Collected

According to the bill, the total amount collected will be distributed automatically in the following manner: 45 percent to the nation, 45 percent to all of the provinces which subscribe to the system; 3 percent as a contribution to the Regional Development Fund and 7 percent as a contribution to the National Housing Fund.

5058

CSO:3010

MAJOR MINING CODE MODIFICATIONS OUTLINED

Buenos Aires CONVICCION in Spanish 31 Jul 80 p 14

[Text] The National Executive Branch has approved and promulgated Law No 22,259 introducing reforms into the Mining Code, the legal instrument which has been in force in the country for the past 93 years since it was first implemented in 1887, a year after its passage by the National Congress on 25 November 1886.

Its nine articles and chapters--the government message says--include reforms designed to bring it in line with the development of a modern mining industry which will be able to keep up with the country's industrial growth and which will incorporate the technological advantages achieved in the exploration and exploitation of this resource.

New Foundations

The new system completes the adaptation of legislative standards proposed by the current administration since Law 22.095 on Mining Industry Promotion was approved earlier, in October 1979.

"The reforms in the Mining Code are of a formal character and do not in any way alter the philosophy behind this legislation," it says in the statement of motives.

These reforms among other things include the following aspects:

(1) First-category mines now include molybdenum, lithium, and potassium mines as well as sulfur and borate mines, all of which previously were included in the second category;

(2) Asbestos, bentonite, and zeolith are likewise included now in the second category;

(3) The maximum exploration or prospecting permit area was increased from 2,000 to 10,000 hectares with a progressive-scale mineral content;

(4) The maximum time limit on permits was increased from 300 to 1,110 days; those exceeding 300 days will have a partial reduction of the surface area covered;

(5) Claims on deposits of the type included in the first category have been increased from 6 to 100 hectares with a proportional increase in the mining royalties;

(6) The 5-year tax exemption, provided for in Article 270 of the Code, is extended to all taxes and contributions, regardless of their name, be they federal, provincial, or municipal, present or future, applicable to exploitation and sale of mineral production;

(7) The investment of a minimum in terms of fixed capital, as a condition for the concession, will be left to the estimate of the concessionaire or the owner of the mine instead of being fixed by the mining authority.

At any rate, the investment may not be less than 500 times the annual royalties due on the mine in accordance with its category and the number of claims.

To give the reader an idea of what this condition means, it must be pointed out that a first-category mine, which has the maximum number of claims provided for by law, in other words, seven, should presently invest, over a period of 5 years, the sum of 168,140,000 pesos, in other words, 500 times the royalties of the mine which would be 336,280 pesos at the rate of 48,040 pesos for each of the seven claims; this is based on the royalty fixed for 1980;

(8) If the mine has been totally inactive for more than 4 years, the authority may demand the submission of an updating or reactivation plan, otherwise the concession would lapse. To comply with the various phases of the plan, the concessionaire would have a period of 5 years, otherwise the concession would likewise lapse upon initial failure to comply;

(9) Fines for violations of mining policy standards are updated and two new titles are added to the Mining Code.

The first one, Title XVIII, regulates public geological and mining research service to be provided by the government in order to explore the subsoil.

The second one, No XIX, spells out the standards by virtue of which the provinces will be able to agree with the federal government on issuing bidding invitations on certain areas and mineral deposits for exploration and exploitation on a large scale by private outfits.

In no case may the areas mentioned exceed a total of 200,000 hectares per province, which is designed to guarantee the effective implementation of the general provisions of the Code regarding the rest of the respective provincial territory.

MEASURES PROPOSED TO REMEDY STANDSTILL IN TRACTOR INDUSTRY

Buenos Aires LA PRENSA in Spanish 29 Jul 80 Sec 2, p 4

[Text] In a briefing which has just been presented by the administration--on this occasion through the Undersecretariat of Agricultural Economy--the AFAT (Association of Argentine Tractor Factories) reported the fact that it is in a state of paralysis and asserts that "the Argentine tractor industry almost does not exist any longer today"; it made reference to the 10 July message from the minister of economy which deals with Resolution 962 of 16 July, reducing tractor import customs duties and proposing a series of measures which "would help the industry to go on in spite of the current crisis."

Background

The document recalls that the nation's tractor industry over the past 25 years turned out more than 320,000 units, worth \$8 billion and that it exported equipment worth more than \$600 million; furthermore, out of an original production capacity of 12,000 units per year, it reached an installed capacity of 30,000 units through effective investments following the rising sales volume on the domestic and foreign markets.

In 1977, the four factories employed 7,500 permanent workers and gave work to almost 4,000 supplier enterprises and concessionaire firms but--the report adds--starting this year, we entered "a process of reversal which has brought the industry to a state of paralysis close to being absolute, to the point where one can say today that the Argentine tractor industry almost does not exist. Today it employs less than 2,000 persons, the number of production personnel is at a minimum, maintenance personnel is being lost, and the drop in sales has also hit the suppliers and concessionaires."

Sales

The document states that sales on the domestic market, which in 1971 totalled 11,005 units, went up as follows: 13,749 in 1972, 14,156 in 1973, 18,782 in 1974, 20,650 in 1975, 15,210 in 1976, and 21,932 in 1977, dropping

to 6,309 in 1978, 7,117, in 1979, and probably reaching an estimated figure of only 3,620 units this year.

During the first half of 1980, the industry turned out 1,724 units as against 3,591 during the same period of time in 1979.

Taking the year 1975 as a base year with a figure 100, the monthly sales average per enterprise on the domestic market came to 106 in 1977, it dropped to 34 in 1979 and during the last several months it developed as follows: 21 in March, 20 in April, 18 in May, and 14 in June.

Causes

The causes responsible for this situation can be summarized as follows: lack of purchasing power on the part of the rural producer due to many factors, incongruencies in the customs duty system which permits the importing of finished tractors cheaper than parts and spare parts, as well as low customs duties to be paid on the finished tractor.

AFAT points out that as a consequence and in view of the very small market, the companies based on the country switched their production activities to importing in an effort to replace the inadequate peso-dollar ratio which caused a loss on the foreign market.

Losses Amount to \$300 Million

To absorb the losses which, overall--for these four brand names--exceed \$300 million, it was announced that the stockholders abroad were contacted and that "on countless occasions, solutions were proposed on the very highest levels of the economic team which could have prevented that situation; nevertheless, measures continued to be taken, such as Resolution 962 of the Ministry of Economy which reduces to zero the customs duties on tractors--between 15 and 35 hp of pulley power--which clearly take the place of those that are produced domestically."

Proposed Measures

AFAT then proposes a series of measures that "would help the industry." Here they are:

Financing of long-term company debts, with several years of grace, to restore the circulating capital of these companies; financing for the purchase of tractors based on indexing with the origin of producer income (kilogram, calves, corn, wheat, etc.); loans at preferential interest rates for the purchase of tractors through government banks, as is done usually in the rest of the world and also in view of the shortage of operating capital on the part of the growers; regulation on deposits in foreign currency--announced on 10 July by the minister of economy--for the purpose of channeling these funds back into loans for agricultural mechanization.

It has also been recommended that the free percentage of import customs duties be raised to 30 percent under the same conditions otherwise, as the only way to provide continuity of production in the finishing plants and among the suppliers; to limit the system to enterprises currently in the system; to list the restriction on the import of complete engines, to implement the system on a minimum basis until 31 December 1985--a step which would have to be implemented prior to March 1, 1981 for better industrial planning--and to carry out a tax exemption plan for capital goods investments in the rural sector as well as to become involved in providing advice regarding the provisions of the law on tax relief for land with low productivity.

Efficiency and Foreign Exchange

APAT finally states that it wants "to note the advisability of having an Argentine tractor industry which would provide advanced and updated technology, equipment at competitive prices, and the usual customer service after delivery, in other words, an efficient and competitive industrial sector for better and greater agricultural and livestock production--objectives which will be achieved basically through modifications proposed in the production system"; it also stresses the fact that "a domestic market of 20,000 imported units per year would require a high foreign-exchange outgo which cannot always be tolerated."

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ARGENTINA

ESTRADA ANNOUNCES NEW LAW FOR DEFENSE OF COMPETITION

Buenos Aires LA PRENSA in Spanish 5 Aug 80 pp 1, 11

[Text] During a press conference, the secretary of foreign trade and economic negotiations, Mr Alejandro Estrada, announced approval of the law for the defense of competition, No 22262. The new law will take the place henceforth of anti-monopoly law No 12906, which was approved toward the end of the 1930s.

The new legal text was taken under study in April of 1977, a task entrusted to an ad hoc committee headed by Dr Hector Legarre.

Provisions of the Law

Below we carry the main provisions of law No 22262.

Article 1. Actions and conduct pertaining to the production or exchange of goods or services limiting, restricting or distorting competition or constituting an abuse of a dominant market position such that a threat to the general economic interest may result are prohibited and will be penalized in accordance with the norms of this law.

Article 2. For the purposes of this law, it will be understood:

- a) That a person enjoys a dominant market position when for a given type of product or service, he is the only offerer or seller on the domestic market, or if he is not the only one, if he is not subject to substantial competition.
- b) That two or more persons enjoy a dominant market position when for a given type of product or service there is no actual competition between them, or substantial competition from third parties, throughout all or part of the domestic market.

Article 3. The actions and conduct described in Article 41 are specifically included in Article 1, insofar as the conditions set forth therein exist.

Article 4. Those suffering injury from actions prohibited by this law may bring civil action for compensation for damages in the courts with competence in commercial matters.

However, 18 months after investigations have begun, victims can bring civil action for compensation for damages.

The period of prescription will be 2 years from the date on which civil suits can be brought, in accordance with the provisions of this law.

Article 5. Actions and conduct consistent with the general or special norms or administrative provisions issued to cover them are not included under Article 1.

National Committee for the Defense of Competition

Article 6. The National Committee for the Defense of Competition is created under the jurisdiction of the Secretariat of State for Foreign Trade and Economic Negotiations.

Article 7. The National Committee for the Defense of Competition will include a president and four voting members appointed by the minister of economy. The president will be one of the undersecretaries in the Secretariat of State for Foreign Trade and Economic Negotiations. The voting members will serve terms of 4 years and can be reappointed.

Article 8. Two of the voting members on the National Committee for the Defense of Competition will be lawyers, and two will be professionals in the economic sciences with known competence in the subjects covered by this law. They must be 30 years of age or older and have 4 years of professional experience. Their remuneration will be equivalent to that of national judges of the first instance, and they will be subject to the provisions of the basic juridical system for public office, except where this law provides otherwise.

Article 9. The voting members of the National Committee for the Defense of Competition can be removed during the course of their terms by decision of a jury headed by the chief counsel of the National Treasury and including 4 members of the legal profession with 10 years' professional experience, appointed annually by the executive authority.

Article 11. The National Committee for the Defense of Competition can exercise its authority wherever in the country the actions involved may have occurred.

Article 12. The National Committee for the Defense of Competition is authorized to:

- a) Make studies pertaining to competition, the structure and dimension of markets.
- b) Request of the national, provincial or municipal authorities the information it deems necessary.
- c) Summon the presumed authors of such acts and witnesses, to take depositions and to arrange confrontations.
- d) Have the necessary expert studies made in the investigation of books, documents, commercial papers and other evidence involved in the investigation, to check stocks and the origins and costs of raw materials or other goods.
- e) Seek opinions and reports from private persons or bodies on the conduct under investigation, on common practices in the sector and other matters of interest pertaining to the investigation.
- f) Hold hearings with the participation of the plaintiff, victims, presumed authors, and expert and other witnesses.
- g) Request of the competent judge the seizure of goods.
- h) Rule, at any stage in the process as a preventive measure, that the physical persons charged either directly or because of their participation or cooperation in other acts committed by juristic persons, may not leave the country without prior authorization.

The authority set forth in paragraphs c, d, f, g and h of this article can only be utilized with a view to the investigation of the actions for which Article 1 provides.

Article 13. In order to exercise the authority for which paragraphs c and f of the preceding article provide, the National Committee for the Defense of Competition may ask for the aid of the police bodies. If it is necessary to make searches or seizures in the exercise of the other attributes set forth in this article, the pertinent orders must be requested from the competent judge. These orders will be issued on the basis of the justification of the measure requested within a period of 48 consecutive hours, with the day and time being specified if necessary. Such orders will not be necessary for searches and seizures in public places or premises and in places of business or trade, offices and premises for meetings or recreation, as well as industrial or rural establishments open to the public, with the exception of those portions designated for private residences or housing.

Article 16. Those who hinder or interfere with the investigation or fail to meet the requirements of the National Committee for the Defense of Competition can be penalized by the secretary of state for foreign trade and

economic negotiations by means of fines of up to 10 million pesos. When in the judgment of the acting authorities the violations cited have been committed, the presumed author will be given a hearing and must answer the charges and provide evidence within a period of 5 days. The investigation will be the responsibility of the National Committee for the Defense of Competition. When the evidence has been accepted or rejected as inadequate, the secretary of state for foreign trade and economic negotiations will issue a ruling, which can be appealed to the courts described in Article 27, appeal being allowed for either purpose or both.

Articles 17-40 inclusive pertain to court instances and procedures.

Actions Subject to Penalty

Article 41. The penalties for which Article 42 provides will be imposed for the following actions or conduct, provided it is covered by Article 1.

- a) Establishment, fixing or alteration of prices on a market, either directly or indirectly, by means of joint action.
- b) Limiting or controlling the technical development or investments allocated to the production of goods or services, as well as production, distribution or marketing of the same, by means of joint actions.
- c) Establishment of conditions for sale and marketing, minimum quantities, discounts or other aspects of sale and marketing by means of joint actions.
- d) Making the signing of contracts conditional on agreement to loans or supplementary operations which, by their nature and in accordance with commercial usages, have no relation to the objects of such contracts.
- e) Reaching agreements or undertaking actions jointly for the purpose of distribution among or acceptance by competitors of zones, markets, clienteles or sources of supply.
- f) Preventing or hindering access to the market for one or more competitors by means of joint agreements or actions.
- g) Refusal to fill concrete orders for the purchase or sale of goods and services submitted under the prevailing conditions for the market involved, as a part of a joint action without justifications based on trade usage.
- h) Imposing discriminatory conditions for the purchase or sale of goods or services by means of joint actions, without justification based on commercial usages.
- i) Destruction of products at any point in processing or production, or the means intended for their extraction, production or transportation, as a part of joint action.

j) Abandonment of harvests, crops, plantings or crop or livestock products, or the seizure or hindrance of the functioning of industrial establishments or the exploration or exploitation of mining deposits, as a part of joint action.

k) Informing competing enterprises of the prices or other conditions for the purchase or sale or marketing to which those enterprises must adhere, as a part of a joint action.

Applicable Penalties

Article 42. The actions or conduct covered by Article 41 will be subject to the following penalties, which can be imposed separately or jointly.

1. When the act has been committed by natural persons:

a) One to 6 years' imprisonment;

b) A fine of from 1.5 to 3 billion pesos, which may be increased up to double the profits illicitly obtained.

2. When the deed has been committed by the directors, legal representatives, elected officials, managers, supervisors or members of the supervisory council of a juristic person, with the means or resources provided by it or obtained from it for that purpose, such that the act has been carried out in the name of, with the aid of or to the benefit of the juristic person, the following penalties will be imposed:

a) A fine of 1.5 to 3 billion pesos, which may be increased to double the illicitly obtained profits, which will be imposed severally upon the assets of the juristic person and the private assets of the directors, legal representatives, elected officials, managers, supervisors or members of the supervisory council who have participated in committing the punishable act.

b) Sentence of from 1 to 6 years' imprisonment, which will be imposed on the directors, legal representatives, elected officials, managers, supervisors or members of the supervisory council who have participated in committing the punishable act.

As a supplementary penalty, a prohibition of from 3 to 10 years on engaging in business may be imposed, extending to the directors, legal representatives, elected officials, managers, supervisors or members of the supervisory council who have taken part in the commission of the punishable act, with a prohibition also on their serving in the same posts or functions for that same period.

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CSO: 3010

BRIEFS

U.S. AIR EXERCISE ROLE--Chamical, La Rioja, 26 Aug (TELAM)--We have very good prospects. I cannot say anything else. Maybe I can do so in the very near future. This was the answer given by the commander in chief of the Argentine Air Force when asked by the press about sales of the Argentine plane Pucara, without hiding his satisfaction, Lt Gen Omar Domingo Rubens Graffigna repeated that the prospects are very good, and that it is another source of pride for Argentina. At the request of reporters who have arrived in Chamical to cover the air exercise of mutual support in case of disaster, the member of the military junta also spoke about the presidential succession and other current matters. The military junta, he said, will name the new president, not elect him; this will be done at the time that is set in the statute. This could be in September. Regarding the air force's candidates, Graffigna indicated that this is only known by the commander in chief, who will submit their names to the military junta at the appropriate time. He was then asked whether the participation of the U.S. Air Force in Operation Argentina 80 means that the restriction in the military sector that had been imposed by the northern country has been lifted. He said: The U.S. Air Force is participating in order to develop a greater integration in the civilian sector, which indicates that good understanding must now reign, which I hope will increase in the future. [Excerpts] [PY271616 Buenos Aires TELAM in Spanish 2011 GMT 26 Aug 80] Major General Thomas Wolters, head of the southern division of the United States Air Force, arrived in Buenos Aires yesterday in order to take part in the "Argentina 80" exercises, which are sponsored by the Argentine Air Force, in order to coordinate inter-American air force aid in cases of emergency. The exercises, which will begin today included Uruguayan, Chilean, Peruvian, Colombian, Ecuadorian and Argentine air force troops. [PY270102 Buenos Aires HERALD in English 25 Aug 80 p 9]

MAIZE HARVEST FORECAST--(NOTICIAS ARGENTINAS)--A considerable drop in the next maize harvest is forecast in official circles. This is expected to yield 6,400,000 tons which is 26.3 percent less than that of last year. According to government statistics this will be the lowest crop since 1976, and 35 percent below that of 1971 which was the highest in the past 10 years. Production is estimated to be 20.4 percent less than the average for the past 5 years and 24.6 percent less than in the past 10 years.

The area sown is practically the same as last year, but weather conditions, specially in the provinces of Buenos Aires, Cordoba and Santa Fe, caused by 13 percent drop in sowings and 15.5 percent in the average yield. Buenos Aires Province, the main producer, may report a drop of 28.6 percent. Other decreases estimated are: Santa Fe 28.1 percent, Cordoba 36.6 percent and La Pampa 59.4 percent. On the other hand increases of 35.5 percent and 14.3 percent are reported from San Luis and Santiago del Estero. [Text] [PY231351 Buenos Aires HERALD in English 22 Aug 80 p 9]

SOYBEAN PRODUCTION--The agriculture secretariat has estimated that soybean production during the 1979-80 period will reach 3.24 million tons. This represents 12.4 percent less than the production during the 1978-79 period. [Buenos Aires LA PRENSA in Spanish 21 Aug 80 Section 2 p 2 PY]

METALWORKERS STRIKE--Buenos Aires, 26 Aug (NA)--The workers of the Gurmendi Metallurgical Company are on strike for the third consecutive day in demand of better wages. The Labor Ministry is trying to find a solution to the problem. [Buenos Aires NOTICIAS ARGENTINAS in Spanish 1510 GMT 26 Aug 80 PY]

OIL PRODUCTION--Buenos Aires, 25 Aug (TELAM)--The energy secretariat reported today that oil production during the first 7 months of this year increased 5.2 percent in relation to the same period last year. [Buenos Aires TELAM in Spanish 2044 GMT 25 Aug 80 PY]

TRADE BALANCE--The Argentine trade balance during the first half of this year shows a deficit of \$500 million. During the first 6 months of this year Argentine exports reached \$3.97 billion and imports \$4.47 billion. [Buenos Aires LA PRENSA in Spanish 21 Aug 80 Section 2 p 1 PY]

NEW EMBASSIES--Buenos Aires, 27 Aug (NA)--The National Executive Branch has approved the opening of Argentine embassies in Guyana and Barbados. [PY280230 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2017 GMT 27 Aug 80]

EXPERTS TO SAUDI ARABIA--Balcarce, 26 Aug (TELAM)--A mission of Argentine technicians from the National Institute of Agriculture and Livestock Technology left for Saudi Arabia where they will remain 5 months to implement techniques of livestock production. [PY280230 Buenos Aires TELAM in Spanish 1530 GMT 26 Aug 80 PY]

TREASURY DEFICIT--(NOTICIAS ARGENTINAS)--The deficit of the national treasury during the first six months of the year is approximately three billion pesos. This is 37 percent more than the figure for the same period during 1979, according to figures issued yesterday by the government. The treasury deficit represents 77 percent of the total deficit originally estimated for the whole of the current year. This deficit was discussed at the last meeting of the cabinet. Income is reported to have dropped by 5.1 percent as compared to last year. This totalled 6,877,040,000 pesos. Disbursements rose by five percent to a figure of nine billion, 787,944 million pesos. [Text] [PY191919 Buenos Aires HERALD in English 19 Aug 80 p 11]

AMBASSADOR TO YUGOSLAVIA--Buenos Aires, 18 Aug (NA)--It was officially reported here today that the Yugoslav Government has agreed to the appointment of Juan Gimenez Melo as the new Argentine ambassador to Yugoslavia. [PY190142 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2310 GMT 18 Aug 80]

NEW MAGAZINE--A brand new consumer magazine appeared for the first time yesterday. Put out by the Raudax Foundation for Scientific Investigation, the GUIA DEL CONSUMIDOR, is a publication designed to collaborate with the consumer league, located at Parana 426. The first edition priced at 1500 pesos, includes dialogues with shoppers, an interview with the trade undersecretary Hugo Miguens and a shoppers guide. Zone by zone the prices of selected grocery items in specific locations are listed in the guide. The publishers plan to make it a permanent feature of the magazine and expand the selections to encompass the entire basket of commodities used by the Ministry of Economy, which would include cars and clothing as well as grocery items. The publishers intend to make GUIA DEL CONSUMIDOR a bi-monthly magazine, but the first issues may not appear regularly. [Text] [PY141754 Buenos Aires HERALD in English 14 Aug 80 p 11]

CSG: 3010

BRIEFS

TIN SALES--The Mining Ministry has reported that tin sales during the first half of this year decreased by 10.38 percent in comparison to the same period in 1979. During the first half of 1979, Bolivia sold 7,848 metric tons of tin to the United States, socialist countries, Europe, Andean countries, Canada, Mexico, Panama and Latin American countries. In the first half of 1980, these sales decreased to 5,647 metric tons. This means there was a decrease of 1,840 metric tons. [figures as received] [PA182331 Paris AFP in Spanish 0455 GMT 15 Aug 80]

RURAL INSURANCE AGREEMENT--The Agriculture, Livestock and Peasant Affairs Ministry, the Inter-American Agricultural Sciences Institute of the OAS, the Bolivian Farming Insurance Company [Aseguradora Boliviana Agropecuaria] and the Bolivian Farming Bank have signed a 4-year coordination and cooperation agreement by which a rural insurance system is implemented, to begin in selected trial areas. The agreement also provides for programs to introduce modern farming methods among insured peasants and provide access to credits. [PY132202 La Paz Radio Illimani Network in Spanish 1130 GMT 13 Aug 80]

WORLD BANK LOAN--La Paz, 5 Aug (TELAM-EPE)--The World Bank has granted Bolivia a \$50 million loan which will finance several development projects of the Bolivian military junta. The government sources indicated that the loan will be repaid in two stages of \$25 million each, and that much of this loan will be used to replace the equipment of the Mining Corporation of Bolivia [COMIBOL]. [Buenos Aires TELAM in Spanish 1858 GMT 6 Aug 80 PY]

ARGENTINE LOAN--La Paz, 26 Aug (TELAM)--The Argentine ambassador to Bolivia announced today that an Argentine credit of \$50 million which was offered to Bolivia and was not used before its deadline has been extended for a new period. [PY272150 Buenos Aires TELAM in Spanish 0020 GMT 27 Aug 80]

IDB LOAN--The Ministry of Agriculture has signed an agreement with IDB for an irrigation project in the Cochabamba Valley. The 4-year project will cost \$5 million and the IDB will provide \$4.2 million. [La Paz Radio Illimani Network in Spanish 1130 GMT 27 Aug 80 PY]

LABOR UNION VISIT--Brussels, 27 Aug (LATIN-REUTER)--The largest world federation of noncommunist labor unions will send a delegation to Bolivia next month to investigate labor conditions in that country after the coup d'etat staged in July. The International Confederation of Free Labor Unions [Confederacion Internacional de Sindicatos Libres], which has 56 million members in over 80 countries, has stated that the delegation will also try to meet with imprisoned labor union leaders. A spokesman of the confederation indicated that the 4-day visit of the delegation will begin on 14 September. [Text] [Buenos Aires LATIN in Spanish 1212 GMT 27 Aug 80 PY]

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CHILE

BRIEFS

TRADE FIGURES--According to a Central Bank report Chilean trade has increased 43.8 percent in the first 7 months of 1980, totaling \$5.95 billion. The main countries that traded with Chile were the United States, Japan, Brazil and the FRG. Chilean exports totaled \$2.92 billion, a 47.5-percent increase over the same period last year. Imports totaled \$3.26 billion, a 40.3-percent over the same period last year. [PY271524 Santiago Chile Domestic Service in Spanish 1100 GMT 27 Aug 80]

MIRAGE JET FIGHTERS--Chilean Air Force Commander Fernando Matthei has reported that three Mirage planes are ready to operate in Chile. He reported that the Mirage planes will be based in (Rocas de Santo Domingo), a coastal town located 180 km from Santiago. He explained that for the time being the Mirage planes will operate out of the Arturo Merino Benitez International Airport. [PY271524 Santiago Chile Domestic Service in Spanish 1100 GMT 27 Aug 80]

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ECONOMISTS DISCUSS ORIGIN OF ECONOMIC CRISIS

San Jose LA NACION in Spanish 9 Aug 80 p 4A

[Text] Two professional economists, Thelmo Vargas, a member of the Board of Directors of the Central Bank, and Guillermo Gonzalez Truque, the bank's former executive president, have maintained that the economic crisis now besetting the country is structural in origin.

Therefore, they said that its cause is not the government's "new economic model," inasmuch as barely a minimal part of the model has been implemented.

They thus rejected the assertions made by Dr Oscar Arias Sanchez, a Heredia deputy and secretary general of National Liberation, and by Dr Fernando Naranjo, president of the Association of Economists; published yesterday in LA NACION, these assertions were that it was a mistake to orient the country towards the so-called "new economic model," because urgent rectifications now have to be made.

Interventionism

Thelmo Vargas, who is also an adviser to the Finance Ministry, asserted that in all truth the "new economic model" has not been implemented in Costa Rica, and the difficulties that the country is now facing are largely due to mistakes of the interventionist model that has been in force for two decades.

One of the products of this system has been a Common Market that has already reached the limits of its expansion without having established a strong foundation for manufactured goods to compete in other areas.

It also left a productive structure with a very high imported content, an expanding state and a banking system that lent funds in accordance with political considerations, which has prompted the blocking of a high percentage of bank assets.

He added that this is not the result of the "new model" that Dr Fernando Naranjo and a number of his colleagues are maliciously referring to.

Furthermore, Vargas stated that the country's financial problems are due to external factors that no model could cope with, such as drops in coffee prices, political instability and the economic impoverishment of Central America, factors that have been aggravated by rising prices for oil and other items.

In his judgment, the only thing that the new model has contributed so far has been a streamlining of the interest rate structure, which although partial, has managed to boost Costa Rican savings and keep more of them in the country.

When the decision is made to implement it, the new model will modernize the tariff system and eliminate absurd activities such as assembly work and other micro- and macroeconomic systems.

In conclusion, he said that essentially no economic model had yet been implemented.

No Changes

Guillermo Gonzalez Truque felt that there have not yet been any changes in the country's economic policy that would justify the assertion that a new development model is being put into practice.

Nevertheless, he said that since the country has begun to modify the guidelines that it has been following, the crisis that we face today is not worse nor did it trigger developments some time ago.

He added that yesterday's statements by Drs Arias Sanchez and Naranjo are a smoke screen to hide the truth.

He said that the two of them are "politicking" and that for economists like them that is a serious thing.

According to Gonzalez Truque, much of the blame for what is now happening belongs to the old model, which promoted a paternalism that undermined several areas of the economy.

For example, it worsened the balance of payments and exchange situation. Moreover, for 10 years now it has been encouraging excess demand resulting from the granting of credit that the country can no longer tolerate.

That model was justified in the 1960's as an emergency measure, but it should have been modified some 5 years later to establish a more solid economic groundwork.

Proof

Gonzalez Truque felt that with the figures that he cited in his statements Dr Arias Sanchez unwittingly placed the inflationary process in its proper dimension.

Inflation is gaged by the implicit index of the GDP, and the figures for recent years are as follows: 1973, 14.8; 1974, 23.2; 1975, 24.5; 1976, 16.6; 1977, 16.9; 1978, 7.8; 1979, 9.8.

To the former president of the Central Bank, these figures show that inflation was high during the Liberation administration and that it dropped under Carazo's government.

He also said that it is not true that most bank credit has wound up with the government.

He explained that a minimal part went to the government, while most of it was absorbed by the private sector. The government has financed its expenditures by printing money, which he described as a "serious development."

Crisis

He said that the problems now plaguing the country are caused by a very deep-seated structural imbalance, which has curtailed the share of agriculture in the gross domestic product.

As a result, the supply of goods has dropped, and the items making up the basic diet have gotten more expensive.

There has also been an inordinate increase in credit because interest rates that the country had never before known are being offered. This has also been a factor in rising inflation. The paternalist system of economic integration has also had an impact by diverting resources to the industrial sector.

Lastly, Gonzalez Truque called for patriotic efforts, a desire to see things in their true dimension and cooperation among all to come up with a solution to the crisis.

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ECONOMY MINISTER ALFARO DEFINES POSITION ON CACM

San Jose LA REPUBLICA in Spanish 8 Aug 80 EL INDUSTRIAL Supplement p 3

[Text] The position of the Chamber of the Industry on the regional economic situation contains a summary of initiatives and efforts to improve the situation in the CACM [Central American Common Market].

The chamber's study, which was conducted at the request of the new minister of economy, industry and commerce, Jose Miguel Alfaro, covers the entire range of problems and prospects having to do with the CACM.

In the general remarks that begin the study the chamber says:

1--The chamber reiterates Costa Rica's support for participation in the CACM because it is the natural market for manufacturing output. This implies the need to uphold the basic principles underlying the process, that is to say, appropriate tariff protection and a system of free trade, which have enabled Costa Rican industry to develop over the last 20 years.

2--The chamber considers it vitally important to immediately implement a program to promote regionally produced exports to third countries. This will reduce dependence on the regional market and at the same time take advantage of existing operating capacity. To this end, we must consider providing appropriate incentives.

3--We recognize that the regional integration process is going through difficult times as a result of the political problems confronting Central America, which in one way or another have had an impact on the operations of the CACM. All of this has adversely affected the margin of safety that investors need to undertake new projects.

Based on these considerations, the chamber feels that it is highly appropriate and necessary to undertake every effort and initiative to improve the situation in the CACM, to which end it offers the following recommendations.

Intermediate-Term Measures: Reestablishing a Minimal Climate of Security

a) The governments of the region must reaffirm through a joint pronouncement at the highest political level that they support the foundations of the Common Market, are determined to preserve it and have decided to take part in a joint effort through a high-level commission or similar suitable mechanism to draw up proposals to improve and update its structures and regulations, so that the regional system can again enjoy the confidence of investors and businessmen.

b) The measures to be adopted should include giving real and effective representation to the private sector, so that it can express its points of view on the changes that ought to be made in the CACM's legal and institutional system.

c) Studying and negotiating a new tariff policy is one of the most important restructuring efforts as far as our sector is concerned, given the effects that it could have on industry if a drastic cut in tariff protection were undertaken without a prior study of its consequences on production sectors. Therefore, we again ask that we be given a real chance to offer input for these studies and that appropriate tariff protection be maintained for the manufacturing sector.

Furthermore, the chamber wishes to emphasize that the mere fact of cutting existing tariff protection will not boost exports to third country markets and that on the contrary, the regional market must be kept up for Central American output, thus utilizing on a complementary basis the potential for penetrating new markets by establishing the required conditions, such as subsidies and trade pacts to facilitate product marketing.

Immediate and Short-Term Measures

Those who study the measures herein proposed should bear in mind that the countries in our region with internal political problems are not the only ones whose inter-CACM relations are being affected. This situation affects the potential of other members as well. Costa Rica, for example, has seen its export growth prospects diminished, and conditions have been created for the emergence of unfair trade practices, which would be detrimental to domestic production. We should also consider as part of this overall picture that our country has traditionally run a deficit in trade with the rest of the region, with the deficit having been aggravated in 1979 by the aforementioned problems. This trend has continued this year with the countries with which we have traditionally had trade deficits, though on the whole they have been offset by an increase in our exports to Nicaragua.

Based on these ideas, we propose that the following measures be adopted:

a) Regional technical organizations should assess on a priority basis the economic problems that a number of countries (Nicaragua, El Salvador and Guatemala) are facing as a result of their other problems, as well as their impact on their Central American neighbors, and they should propose measures to resolve them. The private sector should be given a wideranging role in analyzing the measures that might be recommended.

b) We should ask regional and non-regional financial institutions for the economic cooperation needed to resolve the problems facing the Common Market, including the problems stemming from the payment of intra regional trade, as a result of the situation that prevails in a number of countries.

c) We should take a look at the possibility of setting up a temporary Emergency Central American Fund to aid those countries that are having problems with their ability to pay, as determined by the studies mentioned in Letter a). The fund could obtain its initial capital from the economic contributions of the financial institutions cited in the previous paragraph (b)] or from the money that could become available as a result of the financial assistance announced by Venezuela and Mexico for hydrocarbons purchases.

d) We should support and request the drafting and implementation of an immediate plan of action to begin searching for new markets for regional production, including the joint signing of potential preferential trade and economic cooperation agreements. These moves would be geared mainly toward the countries on the Caribbean, Mexico and the Andean Group, as well as with other countries and economic blocs to which we are in a position to boost our exports in the short term.

In our country's case, we propose that action be taken immediately to implement the "National Export Plan," which contains various measures that are essential to boosting exports to third country markets. The reason for this is that the chamber feels that we cannot realistically expect to penetrate new markets by following the approach that the government has supported, in other words, that only by reducing tariff protection will the country be able to substantially expand its capacity to export to markets outside the region.

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CONSERVATIVE POLITICIAN TATEMBACH DISCUSSES UNITY PARTY

San Jose LA REPUBLICA in Spanish 23 Jul 80 p 9

[Interview with Cristian Tatemba Yglesias, by Wilmer Murillo in the column "Political Wednesdays in the Republic"; date and place not given]

[Text] The country's political circles say, almost gossiping, that Deputy Cristian Tatemba Yglesias "is secretly a count." But the veteran politician, who has devoted most of his life to public service, asserts that he is not doing anything secretly.

"I don't even have a crown sitting in some desk drawer so that I can put it on secretly," he says.

Tatemba, who served as government minister in the administration of Mr Jose Joaquin Trejos, flatly refused to tell us his age. "That is something that I never reveal," he said slyly.

Tatemba has never married. "I am a bachelor and live with my mother, Luisa Yglesias de Tatemba, in San Francisco de Dos Rios." He is occasionally visited there by his three nephews, two of whom are overseas.

"I am simply a licensed attorney at law who graduated from the University of Costa Rica. I have not taken specialization courses, but I have had the privilege of holding foreign service posts. I have been in contact with international organizations and I have seen a bit of the world from the vantage point of other nations."

We then began this week's political interview with Cristian Tatembach, the likable conservative politician who is always in a fabulous mood.

[Question] Do you think that Unity has teamwork and brotherly relations? Would you say that those are Unity characteristics?

[Answer] Teamwork and brotherly solidarity are what Unity longs for, but this longing has to be further developed and its shortcomings have to be cut down on, but we have to bear in mind that Unity is a newly formed party.

[Question] Do you think that even if Unity loses the upcoming elections it will continue to be a decisive force in Costa Rican politics?

[Answer] Yes, I hope so. But it is hard to make definite predictions because you can never make categorical statements in politics. It could perhaps become the number one force.

[Question] Whom do you consider Unity's most representative figure?

[Answer] Our silent, honest and disinterested peasant farmers, who carry in their hearts, not their minds, what Unity's principles could be. These faceless peasants deserve all of our respect in Costa Rica.

[Question] Some people think that a situation of uncertainty has been created that is acting as an invisible, but punishing impediment to the potential for social development and peace. How would you characterize the situation?

[Answer] I think that social peace depends today not so much on new laws as on the rational and effective application of the laws and principles that the country has already proclaimed.

[Question] Do you think that Unity is adopting a Social Christian ideology and becoming the country's second largest, permanent ideological party? Is Unity a real alternative to the PLN's [National Liberation Party] Social Democracy?

[Answer] Yes, of course. In this regard, we are following the pattern of many modern democratic nations that have the Social Democrat parties on one side and the Social Christian parties on the other. They have many points in common, above all their attachment to representative democracy. They have differences that enable them to compete democratically and with sincerity.

[Question] Do you think that the government is handling the dialog issue as part of a plan to overhaul its policies, or would you say that nothing is really going to change, that the current system will remain unaltered?

[Answer] This is another point that is hard to make predictions about. The government is proceeding fairly in its desire for a dialog, but it is very hard to tell whether this will change the future political outlook. The outcome does not depend on just one of the parties involved.

[Question] If nothing is going to change, don't you think then that it will be hard to surmount the obstacles to a guarantee of social peace in Costa Rica?

[Answer] What I mean to say is that you are placing the responsibility on just one of the parties involved: the government. But you have to scrutinize the attitude of the other party, perhaps the most difficult one, the PLN. The government has a clearly established responsibility in terms of its actions, but by its very nature the opposition has much less responsibility.

[Question] Do you think that Carazo has shown that he can dialog constructively or that Luis Alberto Monge's lead has solidified, that his standing among voters has been bolstered?

[Answer] I cannot answer this question because we are at the outset of the dialog. The dialog cannot be limited to a single interview. That would be seeing it in the wrong light. The dialog has to be ongoing and dynamic, constant in other words. And if we accept this viewpoint, we are just at the beginning of the dialog.

[Question] Aside from the practical aspects that you see in the PRD's [Democratic Renewal Party] decision to terminate the coalition agreement with regard to the election of deputies and councilmen, don't you find, as some people have suggested, that there is a desire to prevent former Minister Echeverria Brealey from manipulating the assembly of the PUP [Popular Union Party], where he is said to have, along with the Calderon backers, the support of a majority of delegates?

[Answer] I would not venture such an assertion. I am not familiar with the internal affairs of this sister party. Any answer from me would be groundless speculation.

[Question] A number of political observers have pointed out that doing away with this aspect of the coalition pact represents a step backward in the efforts to make Unity a single, permanent and ideological party. What do you think?

[Answer] I flatly reject that assertion. It clears up the situation. The so-called Unity Party cannot establish itself until a reform of the electoral codes allows it to. And as long as the Unity Party has not been established, no matter how much we insist on calling it that, it will always be a coalition of parties. Therefore, we have to conform to the provisions of the electoral code relating to coalitions in order to proceed in a serious manner.

[Question] Do you think, as Arnulfo Carmona, the head of the Unity congressional group, said, that the administration has been doing a stupendous job and that the party should defend it in a political campaign or that, on the contrary, differences of opinion should lead Unity to cut its ties with the Executive Branch?

[Answer] I do not think that the ties between the party and the administration ought to be cut. The administration is the child of the party, although once it was in office, it had to govern for all Costa Ricans. Meanwhile, the party continues to pursue its own goals. It must not lose sight of the national interest. As far as an evaluation of the administration is concerned, I think that history alone will determine that. But I can assure you that it will never be as bad as the opposition claims, nor as good as its ardent eulogizers would have us believe.

[Question] What do you think have been the most objective, solid and unquestionable accomplishments of President Carazo's administration?

[Answer] The ones that are generally mentioned the least. That it is an honest administration and that it has maintained social peace, a democratic climate and respect for all of the fundamental principles and values of Costa Ricans.

[Question] Do you think that the PRD was alluding to Ministers Mendez Mata and Calderon Fournier when it called on government officials to respect the electoral code and Unity's ethical principles and not to confuse their government posts with partisan politics?

[Answer] You would have to ask the PRD delegates about that. But they might have wanted not to overlook any peccadillos in that regard.

[Question] Of the potential candidates that Unity is talking about, who do you think has the best chances for victory?

[Answer] I think that they are all excellent. I think that they all have the qualifications to run for the highest office. But I cannot consider any of them presidential hopefuls because none of them has formally registered. I would have to wait for them to do so to answer your question.

[Question] When does the PUP National Convention plan to hold an assembly to extend its formal existence and to get in tune with the current circumstances in Unity?

[Answer] Now that two of the Unity parties have already voiced their positions regarding the basic organizational aspect for the upcoming elections, I think that it will also be the PUP's turn to do so. And as a matter of fact, it would be a very good idea if it called an assembly for that purpose in the not too distant future.

[Question] How would you characterize the situation in the country at the moment?

[Answer] I think that the country is in a difficult situation. I would not say desperate, but neither is it what cheery society generally assumes it to be. People are not sufficiently aware of the extremely grave social and political repercussions that a fiscal disaster would have for Costa Rica. What I am calling a fiscal disaster is if the government is eventually unable to come up with the funds to meet its commitments. In that event, it would have to issue money without backing, which would immediately lead to a breakoff of our commitments to the IMF, while the exchange rate or our currency would drop to catastrophic levels. Those who harbor the hope that even with a devaluation we could keep the exchange rate at 10 colones to the dollar under the current circumstances, are mistaken. I would say that it would be double that, and you have to realize what that would mean to the living standards of Costa Ricans. It would be absolutely tragic, and that is the situation that we are faced with. If we do not in general realize that the Federal Government and the decentralized agencies have to limit expenditures and limit them radically, Costa Rica will be in for a headlong and uncontrollable plunge, with all of the serious social and political consequences that we cannot now imagine. Unfortunately, I see the people who understand this problem and this country's sensible public opinion as too unconcerned. Everyone expects that this situation can be handled with temporary measures. They hope that we are always faced with what has always been called manageable deficits; they refuse to realize that as soon as the Monetary Fund lets go of our hand, we will not be able, because of our own lack of planning and thoughtlessness, to manage the situation. We will see developments that we had never imagined. I am very worried about this situation and much more so about the insensitivity of public opinion up to now.

[Question] Lastly, will you be the president of the next Legislative Assembly?

[Answer] I have to answer as I have on other occasions. Only the God of nations can answer that question.

ROIG MORA CRITICIZES CARAZO-MONGE DIALOGUE

San Jose LA REPUBLICA in Spanish 16 Jul 80 p 11

[Interview with National Progress official Roig Mora Chaves, by Wilmer Murillo in the column "Political Wednesdays in the Republic"; date and place not given]

[Text] Costa Rican politicians are wondering confusedly whether or not the dialog between Carazo and National Liberation candidate Luis Alberto Monge will lead the country into a new and interesting political period in which its serious economic and social problems can be resolved.

To observers, the overwhelming majority of politicians consider that such a settlement is vital, above all because a wave of economic and social unrest is jolting the country, to the point that some people see the domestic peace as broken and in danger.

A meeting between President Rodrigo Carazo and Mr Luis Alberto Monge would have seemed impossible a few months ago. It might have roused a political hornet's nest. Nevertheless, not only was the meeting held but it was conducted in an atmosphere of exemplary, if not euphoric brotherhood. And there will be more of such meetings in the future.

But as long as President Carazo does not voice an opinion on these meetings, all politicians will continue to be in the dark. He has certainly given few indications of what is going to happen, and we still have the uncomfortable feeling of not knowing what will come to pass.

There are very few people who think that something is going to change in the wake of that meeting. Among those who do not think that the meeting is the prelude to a solution for the country's grave economic and social situation is Roig Mora Chaves, a former PLN (National Liberation Party) member who now belongs to National Progress and holds key posts on the party's Financial and Executive committees. In his judgment, the purpose of the meeting was to divide up the pie. Here is our interview, on this and other topics, with Roig Mora:

[Question] The Carazo-Monge meeting seems to coincide with a worsening of the country's economic and social situation. Do you think, as some do, that it is the first ray of hope in a gloomy outlook?

[Answer] I think that the much-talked-about dialogs and meetings that the traditional parties are conducting lead nowhere in the end. We are looking at worn-out political figures who are part of vested interests in each of their groups. They are neither being overhauled nor improved. Each one belongs to his own closed group and each one is looking out for his own interests. Thus, I do not think that the dialog can help improve the country's situation. It will be useful for making deals and dividing things up.

[Question] Since the dialog is a constructive search for solutions to our national problems, doesn't National Progress plan to join it?

[Answer] National Progress was formed in light of the need to create a new and open structure for Costa Ricans. When Miguel Barzuna entered politics, he did so because stratified groups had to be broken up. Barzuna entered politics to fill the void left by the absence of dynamic and change-minded leaders. Costa Rica underwent changes in 1948. The structures of that day have been maintained. They have gotten bogged down in a pile of laws and decrees that not even the governments know the purpose of. It was in light of this situation that Barzuna entered the political arena. He did so because there was no new candidate who could overhaul and improve the country. High-profile people from other, traditional parties who want real changes and want to work have joined National Progress, people with a desire to join an open structure with freedom. I would believe in a dialog if it were constructive, but not in dialogs whereby President Carazo meets with former presidents or a closed dialog with Luis Alberto Monge. Those secret dialogs are to make deals.

[Question] Now that many people seem inclined to accept the advice of the prophet Isaiah that we should "reason together" to resolve problems, how do you think that the government could take the first step towards a reconciliation with the country's production sector?

[Answer] We have been ruled by closed groups, and nothing has changed during the successive terms in which these groups have been called upon to govern. For example, vital factors for production such as roads, pipelines and electrification have remained unchanged. Last year in the Coto Brus zone, where I am involved in farm production, 40,000 fanegas of coffee were lost because of a lack of passable roads. So far the government has not even cleaned out the drains. The government should be criticized when it builds an expensive highway to Caldera even though there is an old one through San Mateo and Esparza and another new one through San Ramon that could serve the Caldera harbor perfectly well. The problem would have been resolved with a single linkup, and there would have been enough money left over to build more important projects. But this administration has made things worse. It has abused public expenditures. Perhaps it received empty coffers, but it increased outlays instead of curtailing them. Now it has decided to resort to the banks, thus worsening the situation of growers by leaving them without financing. The agriculture minister says that it is less expensive to import grains than to grow them here. That is untrue. With suitable infrastructure and financing it can be done. But this year the banks are financing small coffee growers with loans carrying a 21.5 percent interest rate, and the ranchers are paying 18.5 percent interest. The financing is being announced all over, but the disbursements are not being made. That is the only thing that seems to result from each dialog.

[Question] In recent days the country has been implicated in a weapons scandal with international implications. Do you think that there are guilty parties in the government?

[Answer] I think that this is something that the government should not get involved in. Any moves in this case should be left up to the courts. Personally, I could not say whether there are guilty parties in the government.

[Question] Tax evasion is said to be a national sport in Costa Rica. Does National Progress feel that taxes are a way out of the crisis?

[Answer] You will help a friend when he shows a willingness to do likewise with you and others. Taxes are a matter of mutual cooperation. When the government aids production, people are glad to pay taxes. Taxes are a compensation for services in general. But now there isn't even anything on the horizon that would make us say, let's tighten

our belts because we can see light over there. Instead, the government now announces that it will take out 700 million colones from the banks to finance the budget deficit. This means 700 million fewer colones for production

[Question] Are you proposing a full-fledged tax revolt and suggesting that people refuse to pay taxes because services are inadequate?

[Answer] That's right. Any peasant farmer can understand this. Costa Ricans are very generous. When they have had to put up with hard times, they have, but in the current situation, when the government admits that the development plan has failed, what else can you say.

[Question] The minister of public works is regarded as a Unity presidential hopeful. Do you think, as some people are saying, that his ties with former Minister Echeverria will hurt him politically?

[Answer] That is a subjective question. I think that Juan Jose's parties and friends will follow Mr Rodolfo Mendez if he asks them to. However, I repeat that the country is tired of these kinds of politicians. Just 3 weeks ago Mr Rodolfo Mendez arrived in San Vito and met with growers, who asked him to repair some roads. He said that he would repair them during the hot summer days. Many of them left after listening to him. I do not see how people are going to vote for candidates like that in the elections.

[Question] There seems to be a two-party political system in our country. Even if the political forces are polarized between Unity and Liberation, do you think that National Progress can seriously think about winning?

[Answer] It so happens that we Costa Ricans are given to importing everything. We have gotten used to belittling what is Costa Rican. We think that everything foreign is better. Thus we have brought in Social Democracy and Christian Democracy. I do not see why we cannot have a Ricardo Jimenez-style government, a national development plan and development guidelines in general that are formulated as the country needs them. Instead, we have organized two forces under which the country has grown and which are basically the same. That is why we have to assess the country's situation and look for a way to be more Costa Rican. We are going to put the country in order on that basis.

[Question] What would having a Costa Rican ideology mean?

[Answer] In the first place, it would be Costa Rican because we were born in Costa Rica. It would mean not importing ways of doing things.

We have a pretty country and we know it well. We know that coffee grows in the highlands and bananas in the lowlands. A foreigner doesn't have to come and tell us that. They can come and teach us how to cure diseases and to advise us how to improve our soils, but not to program the structures around which we are going to develop. Costa Ricans have their own special way of being; they are democrats and individualists. We can develop a great many resources by using our own initiative. The government ought to plan the various stages of production on these bases, while always seeking the optimum utilization of what we have.

[Question] You will certainly agree that National Progress has grown. What developments would you cite to show that National Progress has won over voters?

[Answer] Miguel Barzuna, a man who had never before been involved in politics, lost to Carazo at a convention by a mere 5,000 votes. He worked only 2½ months and got that far against an experienced politician, and he would have won if the PLN had not ordered its backers to vote for Carazo. It was this strongarm tactic by the PLN that enabled Carazo to win.

[Question] What makes you think that Miguel Barzuna is in a better position now to win an election that 4 years ago?

[Answer] A few years ago, as an unknown he lost a convention by just 5,000 votes, and now his electoral backing is much, much broader. National Progreso has silently put together an efficient political organization throughout the country. It is the only party that does not have its telephone and electricity cut off for failure to pay its bills. We have an organized budget. Costa Ricans know that they should not continue to rely on the old structures. They know that the country has to be overhauled and changed. The message is getting through.

[Question] Would National Progress join a coalition of parties if it were necessary?

[Answer] If it were a coalition as we now understand one, a bunch of parties that get together but do not blend, that get together to apportion jobs among themselves, with each one pulling for itself, no. I think that groups can help and support each other. But forming a coalition to cut up the pie in many pieces is not something that I believe in.

[Question] Since people are now talking about how the political models are running out, what in your opinion is the development model that the country needs?

[Answer] With the current organization, I think that it would be hard for the government to do anything in the year and a half that it has left. It has failed completely in implementing the programs that it has been proclaiming in the economic, social and industrial fields. It has not achieved anything. I do not see either how a coalition dividing up the pie can succeed in improving the country. I hope that the government at least stays afloat while change is on the way. The model for developing the country must be basically Costa Rican. That is what we will promote to move Costa Rica forward.

[Question] Do you think that there are extremist elements interested in undermining our democracy?

[Answer] There are communists attacking from all sides. Strikes and millions of colones lost all over. The government is also leaning towards the communists, with a labor minister who is negotiating with the communists, currying favor with them and forcing employers to meet communist demands. There are communists in the Soviet Embassy and in the Cuban Embassy. We are awash in communists. The disorganization is well organized. The Communist Party has infiltrated all over, undermining the country's institutional fabric and leading us to chaos. There is no other explanation for so many blunders.

8743

CSO: 3010

COSTA RICA

DR ALFONSO CARRO DISCUSSES NATIONAL LIBERATION PARTY

San Jose LA REPUBLICA in Spanish 30 Jul 80 p 11

[Interview with Dr Alfonso Carro Zuniga, by Wilmer Murillo in the column "Political Wednesdays in the Republic"; date and place not given]

[Excerpts] Based on the saying that it is always darkest before the dawn, some people are predicting, in light of the current situation in the country, a real national catastrophe. Most politicians agree that the country is in an extremely delicate situation economically, socially and politically.

No one yet knows what will happen "at dawn." In the meantime, Dr Alfonso Carro Zuniga, this week's interviewee, feels that the fact is that the country is in a period of tropical-style political autocracy that culminated with the administration of Rodrigo Carazo and a period of political decadence prompted by corruption, demagoguery, incompetence and cynicism.

[Question] Do you have presidential ambitions?

[Answer] At the moment that is not a matter of interest. I have a deep-seated political vocation that I have cultivated over many years. I have tried to serve wherever my contribution has been considered appropriate. But I am not obsessed with becoming president. Of course, however, every politician has ambitions for the highest representative office, especially in Costa Rica, where because of its democratic tradition it is an honor.

[Question] Some observers feel that provincial deputies and community leaders are in control of Liberation, that the traditional command has been displaced. How would you characterize the situation?

[Answer] We are currently seeing a redistribution of power among the main figures and the intermediate commands, which are leadership

structures in the provinces and cantons. I think that this is highly productive as part of the democratization process that we have called for over the past 2 years.

[Question] Who now exercises control in the PLN [National Liberation Party]?

[Answer] Luis Alberto Monge. But he still does not have control to the extent that he should and must.

[Question] If Monge has control, what role will former presidents Figueres and Oduber play?

[Answer] We have been living under a sort of bossism for more than 30 years. The party's one-man identity is breaking up now in fact. Because of its inertia, the PLN has operated and expressed itself under the domination of outstanding figures. Oduber and Figueres continue to play a significant role in the party and they will for several years, but with substantive changes. A stronger figure than in 1977 is now emerging, Monge, with a concentration of power that I think should exist. He is responsible for what happens to the PLN in 1982. He has been concentrating his power but he has to consolidate and unify control over the National Liberation Party.

[Question] What sort of changes are going on in Liberation? Are you at all worried about how things are being done?

[Answer] I would have liked the changes to occur several years ago, not now; 1980 is already too late to carry out certain essential tasks so that the party can march to victory with a reasonable margin of safety. Many changes should have been started in 1978 and even before. If they had been, the party would not have done as badly as it did in the 1974 elections.

[Question] What have been the consequences of these changes coming so late?

[Answer] I would say that the most worrisome development was the deterioration that the PLN suffered among voters in 1974 and 1978. We made a comeback in certain important aspects in 1978. But the party did not realize the crisis involved in dropping from 56 percent of the vote with Figueres to 43 percent with Oduber and 43.8 percent with Monge. It did not because it has not succeeded in organizing itself as a modern party. If it had, it would have realized that its voter support dropped by 13 percent, and it would have made timely corrections. Liberation has transformed the country, but the party itself has continued with principles, ideas, tactics and strategies that belong to the era of Cortes. Liberation did not prepare itself for the transformations that it had brought about in Costa Rican society.

[Question] Do you think that there is any atmosphere of mistrust in the PLN that has been aggravated by the party's new leadership structure?

[Answer] I see these processes as normal, to the extent that we understand that they exist, admit that they exist and overcome them through joint action and a fair and democratic fight. Everything political entails a struggle for power, and this change in the PLN means that people are going to be displaced.

[Question] It is often said that you are the leader of a movement that has tried on not a few occasions to dethrone the secretary general. Is this what you are doing?

[Answer] I have criticisms of how Oscar Arias has performed as secretary general in the year and a few months since his election. In fact, I have been critical of all secretaries general. The task of the secretary general is to consolidate the party as a modern group, and they have all failed as far as organization is concerned. My criticisms are constructively aimed at having this organizational work begun. The PLN has to change if it wants to win in 1982. Not only does it have to win; it has to win by a landslide.

[Question] Would you consider it reprehensible if Dr Arias established himself in the secretariat to concentrate political power and to erect a springboard for his presidential ambitions?

[Answer] Yes. Party functions are to further its best interests, not to promote personal ambitions. The bylaws point this out clearly.

[Question] I have always asked politicians what they thought of the country's economic and social situation, and they seem to agree that it is very serious. You probably think so too. But why isn't anyone proposing solutions?

[Answer] Not only do I agree that the economic, social and political situation is serious, but I think that it is the most serious situation in Costa Rica in the last 50 years. As far as solutions are concerned, this involves having an overview of the situation and determining whether we really insist on taking the country down paths that are suited to the times. We still have our eyes fixed on the past. This unusually serious situation demands fundamental changes, starting with attitudes, not just on the part of political and religious leaders or intellectuals but on the part of the public itself. We keep mulling over old problems without forging new paths.

[Question] You reminded me of a saying attributed to Winston Churchill, to the effect that if we judge the present by bearing in mind the past, we could lose the future. Do you think that that could happen to us?

[Answer] The basic problem that shows up in all areas of the country is the lack of a vision of the future. Either we keep looking at the past or we are obsessed with the present. But politicians have, among other things, the ability to plan and provide for what a country has to do in the years to come or to decide what course it should take. We have to set forth the overall guidelines. Fleshing them out with programs is a task for the political parties. In Costa Rica, neither the government nor the opposition has a clear picture of what we have to do to develop programs in all spheres of society. We have to realize that the kind of society that we have had will change substantially and will soon disappear. We have to have a model ready that will preserve our democratic system. I know another saying attributed to Churchill to the effect that the ills of democracy have to be cured with more democracy.

[Question] Some people think that the Carazo administration has fallen into arrogance, abuses and taking revenge. How do you see the situation?

[Answer] It is awful to have a system of fixed terms in which a president can be good, bad or very bad while the country has no institutional tools to assess how the government's policies are doing at mid-term or in times of crisis so that they can be rectified through the will of the people in a plebiscite or referendum. This leads to a tropical-style political autocracy in which we have to put up with a lord and master for 4 years. An uprising is the only recourse for doing away with him before he does away with the country. We have to correct this flaw in our democracy with institutions that have demonstrated their value in more advanced societies, especially in Europe, where they are mechanisms to make the appropriate corrections. Carazo did not begin this political autocracy. There were certain indications under Figueres; they continued under Oduber, but they have culminated now under Carazo. It's dangerous, a sort of all-encompassing autocracy: the Executive Branch, the autonomous organizations and through the banks, private enterprise. Everyone keeps quite so as not to offend the government, which has a thousand tentacles with which it can affect people's status. The state has to reassume its true role in Costa Rican society, and on the other hand we have to strengthen society at all levels.

[Question] What factors have brought the country to this political and social decadence?

[Answer] Demagoguery, incompetence, corruption and, finally, cynicism. The latter factor manifests itself in the lies that are told about the country's problems and in the ease with which they say one thing today and deny it tomorrow. The mask that they wear today will not be the same tomorrow. This is an irresponsible way of performing one of the noblest activities that man can engage in: politics. It has

been prostituted. The sign of the times is a change in the political style. Luis Alberto Monge is the man who most obviously represents this new style as a denial of those vices. He is inaugurating a new style in the country, repudiating those four capital vices that have prompted our political decadence.

[Question] Do you think that mutual mistrust among parties and their leaders is the main obstacle to a national dialog?

[Answer] It is President Carazo's temperament that is preventing the dialog. We have already seen that there is no chance for a dialog. Look at the case of Coronado, the former presidents and now Monge, who showed great personal generosity in warming to the dialog. Carazo blasted him in a long speech on television.

[Question] Do you think that Carazo's prestige and popularity are plummeting?

[Answer] He suffered an enormous drop in the first 2 years. Like a plane that cannot manage to take off, he crashed against the peak. But he could make a comeback, not because of praiseworthy political actions but because of the upcoming elections. He deliberately continues to pursue politics with increasingly intense vote-getting aims.

[Question] Who in Unity do you think has the best chance to win in the convention struggle?

[Answer] That's unpredictable. I have no idea of what might happen there, especially because the processes are not very democratic. Certain interests collude to pull the rabbit out of the hat. The process is different from National Liberation's.

8743

CSO: 3010

PEOPLE IN UNITED STATES REPUDIATE 'ANTISOCIALS'

FL221140 Havana Domestic Service in Spanish 1000 GMT 22 Aug 80

[Excerpt] The U.S. population's repudication of the antisocials of Cuban origin is on the increase while in Lima, another newspaper reported the unruly and hostile behavior of the stateless persons who were taken to Peru after they broke into Peruvian Embassy in Havana.

The Indiantown Gap Education Council in Pennsylvania refused to allow the antisocials confined in a nearby military camp to attend the community's schools. On an 8 to 3 vote, the council rejected a federal government's offer to supply \$375,000 to finance an education program for the stateless persons. Justifying its refusal, the council said that the families residing in the area look on the antisocials as troublemakers and they do not want their children to mix with them. It was, in fact, in Fort Indiantown Gap that on 5 August the antisocials staged a riot which was forcefully crushed by the military police with the toll of one death and 59 injured.

In Fort Smith, Arkansas, the mayor asked the federal government to transfer a group of antisocials of Cuban origin who had been released from the nearby Fort Chaffee military camp so they could go live with their relatives but who had to return after the relatives rejected them. A spokesman for the military base said that the large number of antisocials forced to return because their relatives rejected them were housed in local hotels so that the morale of those remaining in Fort Chaffee would not be affected. Mayor Jack Freeze and many Arkansas state legislators informed the federal government that the area's residents do not want the antisocials there and asked that they be transferred. As in Fort Indiantown Gap, the antisocials of Cuban origin have caused riots in Fort Chaffee which have also led to injuries and arrests.

More recently, several newspapers have reported the abuses, including sexual abuses, to which young Cubans are subjected to at the hands of the very same antisocials whom the military authorities have charged with maintaining order. Fort Smith's mayor told local newsmen that the sooner the antisocials are taken away, the better.

BRIEFS

SWAPO ANNIVERSARY--The Movement for Peace and Sovereignty of Peoples [MPSP] has issued a message of support and solidarity with Namibia's South-West African Peoples Organization [SWAPO], on the 14th anniversary of the beginning of the armed struggle for its economic and political liberation and for the elimination of racism. The message makes clear that the SWAPO is fighting for the full independence and sovereignty of its people and is firmly advancing toward new victories against colonialism, racism and imperialism. The document also calls on all progressive peoples to energetically condemn the racist regime of South Africa and the imperialism that supports it, as well as the illegal occupation of Namibia, the pillage of its natural resources and the genocide, such as the Cassinga massacre and the attacks on Angola and Zambia. Lastly, the message pays tribute to this anniversary of the beginning of SWAPO's armed struggle, those fallen in battle and the patriots who valiantly confront the enemy. [Text] [FL261534 Havana Domestic Service in Spanish 1400 GMT 26 Aug 80]

MOA AREA INSPECTION TOUR--Party Politburo member Pedro Miret Prieto and Secretariat member Jorge Risquet have chaired a meeting in Moa [Holguin Province] to examine the status of industrial projects, fundamentally the nickel plant under construction in the mining area of Punta Gorda. Speaking at the meeting, Construction Minister Jose Lopez Moreno outlined specific measures to fulfill the construction plans in tribute to the second party congress. Pedro Miret and his entourage also visited the Moa port where the workers reaffirmed their commitment to unload 32,000 metric tons of cargo in August, which means 7,000 metric tons more than had been planned for the month. [Havana Domestic Service in Spanish 2300 GMT 22 Aug 80 FL]

CSO: 3010

BRIEFS

NEW PSC LEADER--Camilo Ponce Gangotena was elected president of the Social Christian Party [PSC] of Ecuador for the period 1980-82 at the PSC National Assembly held on 15 and 16 August. [PA240131 Quito Voz de Los Andes in Spanish 1230 GMT 18 Aug 80]

QUITO-GUAYAQUIL ELECTRIC SYSTEM--The national interconnected electrical energy system, built by the Ecuadorean Electrical Energy Institute, was officially inaugurated in two simultaneous ceremonies in Quito and Guayaquil. The system is comprised of a set of thermal and hydroelectric plants located in the Santa Rosa substation in Quito and El Salitral substation in Guayaquil, which are served by a 350-km line that connects with substations in Santo Domingo de Los Colorados and Quevedo. The system is to be completed in 1983, when the (Baute) hydroelectric project is slated to begin operating. [PA240131 Quito Voz de Los Andes in Spanish 2330 GMT 22 Aug 80]

BANANA EXPORT DELAY--Guayaquil, 21 Aug (EFE)--Ecuadorean banana exporting companies have complained about the serious obstacles they face in transiting the Panama Canal, the local newspaper EL UNIVERSO reported today. The companies stressed that the obstacles cause constant difficulties and expenses since their ships are frequently delayed or have to change their itineraries. They told the newspaper that "it could very well be that since Panama is a banana-producing country, the delays form part of an offensive against our production." They have also asked the Ecuadorean Government to ask the Panamanian Government for better treatment. Ecuador is the world's biggest banana producer and is not a member of the Union of Banana Exporting Countries. [Text] [PA221848 Madrid EFE in Spanish 0008 GMT 22 Aug 80]

CSO: 3711

GUATEMALA

SAN CARLOS UNIVERSITY RIGHTS DISCUSSED

Government Questions Rights

Guatemala City PRENSA LIBRE in Spanish 26 Jul 80 p 22

/Editorial: "Government Prepared To Talk; Rector Holding Position Illegally Poses Obstacle"/

/Text/ The government is ready to begin talks if this is the way to achieve peace and harmony in Guatemala and if they help to end the violence.

The Higher University Council has called for talks and the government accepts the council's proposals.

The problem is that there is a legal crisis at San Carlos University. Those who are holding the posts of dean are doing so illegally and as a result they neither have the legal or moral backing necessary to duly represent the university in these talks.

The government has pointed out this serious anomaly in public statements by Government Minister Donaldo Alvarez Ruiz.

Nevertheless, despite the near anarchy at the university, the government is ready to hold talks and it expresses its confidence that "somehow the rector succession question will be settled legally so that legally constituted authorities can be available for discussions."

University observers have said privately that there is anarchy at the University of San Carlos. Not only is the person serving as rector holding the position illegally and lacking in moral authority but the deans themselves also are without authority.

Many of the deans have been seen leaving the campus, although they had hoped to go unnoticed. They dress in a bizarre manner hoping to go undetected by the students as deans or anyone of authority. Very serious disorders occur and not one dean can exercise any kind of authority.

The situation is very serious. There is anarchy, disorder, a loss of spirit and the university has been turned over to delinquents and subversion.

The serious anomalies which currently exist at the University of San Carlos were underscored in detail by Government Minister Donaldto Alvarez Ruiz.

The situation is so serious that by analyzing concrete actions we can see that the university has been diverted from its legal base on such a basic matter as the heads of the various schools.

At the same time, under the protection afforded it by the Constitution, the university has become a safehaven for delinquents, a source of violence and a cell for subversion.

As for the illegal status of those holding the post of dean, Government Minister Alvarez Ruiz explained the matter thus:

The rector-elect, Saul Osorio, is abroad organizing the Patriotic Front of Liberation against Guatemala and discrediting our country and its officials while receiving a salary from the university of 5,000 quetzals per month.

According to the regulations, the minister added, in the absence of the rector his duties are assumed by the dean with the most seniority, in this case the dean of the School of Pharmacy, Leonel Carrillo, who must, of course, vacate his post.

The post is being held illegally, the government minister continues, by the dean of the School of Engineering, Raul Molina Mejia, who has completed his term as dean of the School of Engineering and should have turned the post over but has not done so. In other words, the person who is running the university is not legally empowered to do so.

As we can see, the situation at the University of San Carlos is completely irregular, illegal. Those in positions of authority are there illegally and, therefore, cannot legally exercise the authority persons in these positions are entitled to. Therefore, for all practical purposes, there is anarchy at the university which has produced historic circumstances deserving of the greatest concern from all segments of society.

Guatemala, 26 July 1980

University Response

Guatemala City FRENDA LIBRE in Spanish 5 Aug 80 p 27

/Paid Advertisement: "Right to Respond: University Responds to Editorial in Government Daily"/

/Text/ We are going public to respond to an unsigned paid editorial which appeared in almost all newspapers and on several radio news programs. The editorial was reproduced from the DIARIO DE CENTRO AMERICA and is a diversionary tactic designed to detract from the university's legitimate proposals.

1. The Question of Legality at the University of San Carlos

This apparently is a matter which concerns the writer very much. However, his concern does not run parallel to the serious treatment the subject deserves. An effort is made to make it appear that those who hold positions of authority at the university are there illegally. This point is mentioned six times (five in the text and one in the title). To support this point the only legal evidence offered by the writer is the Minister of Government's statement. But it should be kept clearly in mind that Alvarez Ruiz's opinion, even if he is the writer's superior, cannot become a legal opinion in Guatemala, a country with a broad legal history.

The post of acting rector, currently held by Raul Molina Mejia, was created in strict accordance with the law (Article 28 of the Organic Law) and, therefore, from the beginning his authority has been perfectly legal. To verify this point, the writer could have read the pertinent laws and rulings handed down by the university's legal advisory board.

In practice, two things occurred. First, the problem created by the irreversible resignation of Carrillo Reeves from his post as rector. In view of this situation, the proper legal procedure was that he be succeeded by the dean with the greatest seniority, Molina Mejia, and that is what occurred so that there is a concurrent vacancy in the posts of rector and dean with the most seniority. Any other solution not only was illegal but irresponsible as well because the university would have been left without a top official to run it. With a very clear legal basis, the Higher University Council appointed Molina Mejia as rector. The second problem mentioned in the editorial is the alleged anomaly over the reported end of Molina's term as dean. This is not the case because, although the Higher University Council is about to appoint a new dean, the law states that it is not only the right but the obligation of the outgoing dean to remain in his post until his successor takes office (Article 31 of the statutes).

The writer should also know that recognition of Molina's authority as rector is based not only on the legality of his appointment and actions but also on the recognition of his legal appointment by different segments of society, legal organizations, government ministers and the majority of the mass communications media.

2. The Basis for the Writer's Statements

The writer refers to the internal situation at the University of San Carlos and cites two sources of information:

a) "university observers have said privately..."

b) "abundant data supplied by the Minister of Government..."

Unfortunately, neither source is reliable. The first because it is so ambiguous because of the cunning language that is generally used to conceal the truth or rather to give the appearance of alleged and fabricated evidence, information or data. Who are these observers? What private circles are they talking about?

With respect to the second source, the minister did not supply any data to support his remarks in the communique which he read himself or in his later statements. To prove this it is sufficient to read the text of the communique and listen to the appropriate recordings.

3. Regarding the Deans' Authority

The writer claims that "...there is not a single dean who can exercise authority" and the only statement he makes to prove this is that the deans "...are seen leaving the university hoping to go undetected." Authority is not exercised by boasting or brute force but rather through the exercise of justice and respect for the individual, with the honor and dignity due university officials. It is true that the presence of repressive groups which permanently plunder the university campus forces everyone to take the minimum precautions which seem to bother the writer. Is it their wish that the repressive groups be given the opportunity to continue the unjust killing of valuable and exemplary university students?

4. Regarding Anarchy at the University

This statement is not supported by reason or evidence. It is only a statement. Despite the desperation of those groups that attack and slander the university in an attempt to see it destroyed, despite the brutal repression, the university has been able to continue its activities and maintain a positive attitude before the Guatemalan people. And we do this because it is our civic and educational duty and because we know that the University of San Carlos of Guatemala constitutes a moral reserve which the nation should safeguard.

5. The Situation at the University Is Serious

Yes, it is true. But the situation is serious because the general situation of the country is very serious and this affects all institutions.

Over the past few days several organized sectors of society have expressed their concern over the seriousness, the crisis Guatemala is experiencing. In view of this situation, there are stubborn groups which attempt to blame the university for the national crisis.

Perhaps the university is to blame for Guatemala's being one of the most socially backward nations on the continent?

Perhaps the university is to blame for the lack of credibility of the election processes and the political parties?

Perhaps the university is to blame for the image of Guatemala created by repressive groups? On the contrary, we have been the victims of repressive groups and the authorities have been unable to clear up any of the crimes committed against university students.

Perhaps the university is responsible for the general climate of defenselessness and insecurity in which we live?

This entire national situation of serious proportions affects the university and other civilian institutions: the church, the press, businessmen, workers, laborers and peasants. Their organizations have expressed their concern and that is why the university has called for a dialog as the only way to contain the violence.

6. Regarding the Talks Proposed by the University

The most serious part of the editorial which we are answering and actually the reason for responding to it is contained in the first paragraph which states:

"The government is ready to begin talks if this is the way to achieve peace and harmony in Guatemala and if they help to end the violence."

This is a very serious statement. It questions whether talks are the proper way to achieve peace. Does the writer have another suggestion? Or is there a desire to have the violence continue in Guatemala?

The writer shows nothing but enmity and hostility towards the University of San Carlos and we believe that these attitudes do not contribute to the search for peace that the people of Guatemala desire. But the worst of it all is the existence of phantom organizations or persons of unusual origin who invest money in paid advertisements to destroy efforts to initiate talks, organizations and people blinded by hate and violence. Wouldn't it be a positive step towards constructive talks if this orchestrated campaign were stopped?

July 1980.

"Go Forth and Teach Everyone"

8599

CSO: 3010

GUYANA

BRIEFS

NETHERLANDS ENVOY ARRIVES--Guyana's Caribbean integration thrust and its role in the non-aligned movement was hailed yesterday by the new Netherlands ambassador to Guyana, Mr. Jonkheer Maximilien van Claerbergen, during the presentation of his credentials to President Arthur Chung at Guyana House. [Excerpt] [FL271910 Georgetown GUYANA CHRONICLE in English 15 Aug 80 p 24 FL]

CSO: 3010

BRIEFS

HURRICANE ALLEN DEATH TOLL--Port-au-Prince, 20 Aug, (AFP)--The Haitian Government reported here today that between 300 and 400 people died on 5 August as a result of Hurricane Allen. Losses to crops amounted to about \$410 million. Meanwhile, a Haitian private radio station reported that about 650 people had died. Until now, five countries have sent aid to Haiti: France sent 4,000 tons of wheat, Canada sent \$50,000 to the Haitian Red Cross, the United States sent 1,000 tons of wheat and a military mission to evaluate the damage and the FRG promised to send \$230,000 worth of foodstuffs. [PA221520 Paris AFP in Spanish 0246 GMT 21 Aug 80]

CSO: 3010

FOREIGN MINISTRY REACTS TO STATEMENTS BY GRENADA'S BISHOP

Tegucigalpa EL CRONISTA in Spanish 1 Aug 80 pp 1, 10

[Ministry of Foreign Relations press bulletin, dated 29 July 1980, issued in Tegucigalpa]

[Text] The Military Ruling Junta appointed a special high-level delegation to represent our country at celebrations held to commemorate the first anniversary of the triumph of the Sandinist Revolution. The celebrations took place in Managua, Nicaragua, on Saturday, 19 July.

The special delegation was headed by Gen Mario Enrique Chinchilla Carcamo, chief of staff and general in the Armed Forces, and included, among other persons, Eliseo Perez Cadalso, minister of foreign relations of Honduras.

General Chinchilla Carcamo greeted the National Reconstruction Junta of Nicaragua on behalf of General Policarpo Paz Garcia, president of the Military Ruling Junta of Honduras, and, along with the other members of the delegation, attended all the acts of protocol held in Managua to celebrate the first anniversary of the advent of the Sandinist government.

One of the speeches delivered in the Plaza on 19 July and published by the Press Directorate of the Palace of Government of Nicaragua was that of the prime minister of Grenada, Maurice Bishop.

The stenographic version of the extemporaneous speech given by Bishop reads as follows: "This is a historic month for the nations of Latin America because just as you are celebrating your anniversary on this day, on Saturday of next week, the free, revolutionary people of Cuba will celebrate the 27th anniversary of the attack on the Moncada Barracks. Who among us, comrades, has any doubt about the important Moncada movement or about the fact that the Cuban Revolution existed and triumphed in 1959? We believe that without the Cuban Revolution, there could not have been a revolution in Grenada or Nicaragua." The prime minister of Grenada then went on to say: "Consequently, our task, the task of the free peoples of America, has to be completed through our unity, our solidarity and our cooperation and we must continue to follow the path forward in order to guarantee that in the year 1981, we shall be able to speak, not only about revolutionary

Cuba, not only about revolutionary Nicaragua, but also about a revolutionary El Salvador, a revolutionary Guatemala and a revolutionary Honduras."

This ministry believes that Maurice Bishop is not acquainted with the history of Central America and that despite his recent visit to Managua, he is unaware of the true conditions on the isthmus.

The current situation in our country is nothing more than the legacy of our leaders who sowed the seeds of brotherhood and peace. This noble task has been continued by the new generations, bent upon making Honduras a prosperous, free, sovereign and independent nation, without any class struggle or the dictatorship of the proletariat.

When they were promulgated, "revolutionary" was the term applied to the Labor Code, the Agrarian Reform Law, the Social Security Law, the Civil Service Law and other legal norms affecting our lives as citizens. Honduras is a country without political prisoners or exiles, two facts that cannot be boasted of by those who have turned their nations into gigantic prisons or archipelagos of misfortune.

Honduras held elections on 20 April in order to choose the members of a National Constituent Assembly made up of three duly organized political parties, elections considered to be impeccably honest by national public opinion and exemplary by the free press of the continent and the world.

This political move has made it possible to establish democratic customs that do not exist in the so-called people's democracies or in nations that operate with a single party.

Our people have shown their civic and political maturity by rejecting demagogic and totalitarian formulas that do not correspond to our own ways, and that sovereign will was manifested at the polls, where all citizens exercise the right to vote.

Honduras is now achieving closer bonds of friendship with nations with which it maintains relations and is broadening its relations with other countries, whatever their ideology, when national interests are thus served.

Maurice Bishop, prime minister of Grenada, speaks about a revolutionary Honduras by 1981, failing to realize that this country has been shaped step by step, minute by minute, with respect for fellow citizens and the values that sustain the dignity of all citizens. That is why this ministry, respecting the principle of self-determination of nations, vigorously rejects any foreign interference in matters that are the private affair of the Honduran people, as well as abrupt statements that are harmful to our sovereignty.

Tegucigalpa, D. C.
29 July 1980
Ministry of Foreign Relations

HEAD OF CHRISTIAN DEMOCRATIC PARTY CRITICIZES TRANSITIONAL GOVERNMENT

Tegucigalpa EL CRONISTA in Spanish 25 Jul 80 pp 1, 5

[Text] "The transition to a constitutional government should be directed by civilians under the direct supervision of the National Constituent Assembly and not by a military leader."

This statement was made by Ramon Velasquez Nazar, head of the Christian Democratic Party of Honduras (PDCH).

In analyzing the nation's current political situation, he said that through their actions, the traditional parties are showing that they have the same mentality they had 20 years ago and that consequently, they have made no progress politically speaking.

"Therefore, the proposal made by the PINU [Innovation and Unity Party] to the effect that there should be a collegial civilian government instead of prolonging the military government was much more acceptable," Velasquez said.

Concerning the actions of deputies in the Constituent Assembly, he stated that the latest talks being held by Assembly members and their discussions on posts to be distributed are leaving "a bad taste in the mouths of the Honduran people, inasmuch as it was presumed that they would be more concerned with the content of the constitution.

"Indeed, the people thought that they would be concerned with introducing progress and real benefits into the constitution, but to date, no such thing has been seen."

Velasquez Nazar believes that such an attitude has led to a state of expectation that has reached the extreme of affecting normal activity. There has even been a decline in the work rate of public employees.

Public Posts

When expressing his opinion on the Assembly members' delay in appointing someone to head the provisional government, he said that the delay is due to discussions being held about the distribution of public posts.

The head of the PDCH added that he believes that "parties should have the vocation of governing and it is logical that they should be dealing with the matter of the posts. What is illogical is that they should make this their prime concern when there are other problems of greater importance, such as the poor performance of public administration as a result of the current state of confusion."

After making these analyses, Velasquez Nazar said that all action taken to date is evidence that the traditional parties have not advanced at all politically because they continue to do as they did 20 years ago, at least as far as their leaders are concerned.

11,464

CSO: 3010

BRIEFS

AILING MINISTER VISITS CUBA--Mr. Dudley Thompson, Q.C., minister of national security, who had been undergoing tests in hospitals since last week as a result of a recurring heart condition, was flown to Cuba on Tuesday afternoon by special flight for medical attention. He was accompanied by Dr. Winston Davidson (permanent secretary in the Ministry of Health), his personal physician, and Cuban Ambassador Ulises Estrada. The announcement of the minister's departure, which was contained in a PNP release, yesterday, made scant mention of his heart condition, but it is believed that the equipment needed to treat Mr. Thompson was not available locally. It was learned, too, that he would have been sent to Cuba from the previous week, but was not considered strong enough to make the trip. Mr. Thompson had been receiving treatment in Cuba and last visited the neighbouring republic in June. However, his condition deteriorated shortly after his return, and he went on three weeks' sick leave and finally entered hospital last week Monday for tests. [Text] [FL251355 Kingston DAILY GLEANER in English 21 Aug 80 p 2]

CSO: 3020

PAPER SCORES COSEP, DEMAND FOR ELECTIONS

Managua BARRICADA in Spanish 22 Jul 80 p 3

[Editorial: "COSEP's Immature Attitudes"]

[Text] Counter to the spirit of consensus and international support for the revolution, which on the occasion of its first anniversary many parties and governments of the most diverse ideological tendencies (among them that of the United States) renewed, COSEP [Higher Council of Private Enterprise] members again appear to be inclined to look for a "but" in the way of their total integration into the process. While not completely new, the arguments that have been brought into play these past few days seem to be elaborate pretexts to undermine business sector confidence in the revolution without there being any other reasons that that for doing so. And of even greater concern is the fact that behind the backs of the people, who en masse confirmed their support for the revolution on 19 July, they are insinuating that immature attitudes exist which could endanger that national unity for which the FSLN [Sandinist National Liberation Front] and the people of Nicaragua have fought so hard.

On the one hand, there is COSEP spokesman Jorge Salazar's claim to the effect that private enterprise "was shunted to the sidelines" during the celebration of the first anniversary and the drawing up of the announced agrarian reform program. Incidents like this really keep us from taking private enterprise proposals seriously and lead us to think that on the international scene they deliberately want to project a false image of a lack of confidence in the revolution. Because everyone knows that the new agrarian reform program (the specific content of which is still unknown) will be presented to the Council of State and discussed in that legislative body with the participation of private enterprise representatives. So, what sense does it make to say that they are being shunted to the sidelines of the process?

On the other hand, they say that they expected important announcements on 19 July. And was not the government's decision to regulate the use of fallow land by law an announcement of great importance to the country, the workers and these same businessmen?

But apparently, the attitudes of the businessmen (who frequently maintain that they do not constitute a political organization) give us reason to believe that they are more interested in the "problem" of elections than in the nation's number-one priority, economic recovery.

Our veterans and the National Reconstruction Administration have not only guaranteed that the broadest of democratic liberties will be restored to the population but they have also laid the foundations for a new, truly Nicaraguan democracy. But the businessmen have said nothing about the participative nature of Nicaraguan democracy, the different participative agencies at government level and the economy in which the people are today taking part in the building of our democracy. Their capricious appeal, demanding that a date be set for elections as a precondition for being able to say that democracy really exists in Nicaragua, would appear to be an immature denial of the progress made by our democracy and of the people's participation in government.

Thus the COSEN power play, which borders on being blackmail (since they have decided to withdraw from the Council of State if a date for the holding of elections is not announced), is of no great significance. The Revolutionary Administration of the Process and the Government Council have repeatedly announced that municipal elections will be held in Nicaragua to subsequently elect a National Assembly and ultimately general leaders. Obviously, this decision, endorsed with the moral authority and consistent action of the FSLN and the government, will have to be implemented in accordance with our own particular requirements and once the country's fundamental problems have been solved. However, the businessmen seem to have little concern for the fundamental problems of the nation and the people, which is in itself a matter of great concern.

Furthermore, their immature attitudes, which contrast with the active determination of the workers and small farmers, committed to increase production, favor the input for national and international reaction in their search for a pretext to attack the revolution.

The businessmen must be aware of this so that they will set aside these inconsistent attitudes and join the people and the FSLN to strengthen the national unity policy. That is, in search of a solution to the nation's fundamental problems.

FSLN, COSEP CONTROVERSY ON ELECTIONS DISCUSSED

Managua LA PRENSA in Spanish 1 Aug 80 p 2

[Editorial: "Didn't They Promise To Announce Elections?"]

[Text] On the night of 2 May of this year, an important meeting was held between COSEP (Higher Council of Private Enterprise) representatives and member-delegates of the National FSLN [Sandinist National Liberation Front] Administration and the Government Council.

At this meeting, the participants finally reached agreement on a number of points that are crucial for the political life of the country and for the harmonious collaboration of all sectors. Thus ended a round of discussions publicly announced by the government and COSEP and which had kept the nation and the national and international press in suspense for many days.

Participating on behalf of the COSEP were Messrs Enrique Dreyfus, president, UPANIC [Union of Nicaraguan Agricultural Producers] delegate Jorge Salazar and president of the Chamber of Commerce Reynaldo Hernandez and, on behalf of the FSLN, Commanders Humberto Ortega, Jaime Wheelock and Bayardo Arce. Representing the Government Council was Dr Sergio Ramirez.

According to the COSEP representatives, FSLN delegates and Dr Sergio Ramirez, on that occasion they solemnly promised to announce by 19 July of this year the date or the deadline for holding municipal and national elections in the country. Those who made this promise claimed to be giving their word and that of a serious and fully reliable organization like the FSLN.

Today, after the passage of the 19 July without any announcement, COSEP members accuse FSLN leaders of not having kept their word.

In the face of the big national discussion that has arisen over this issue, it is only natural for us Nicaraguans to ask:

Did FSLN and Government Council representatives promise to announce elections by 19 July or not? Are COSEP representatives lying when they maintain that this was the case?

it is important to satisfactorily answer these questions, because what is at issue — as we said earlier — is not the validity or appropriateness of the electoral process, but whether a promise is being kept or not, or whether an unfounded accusation is being made against the government.

We repeat once more that, in the event the promise was made in the terms noted by COSEP representatives, the possibility may exist that new circumstances have made it imperative to change the date on which elections were to be announced. In that event, it would be appropriate to explain what they are and, in an atmosphere of cordial dialogue, make a new commitment. Only in this way can the door to trust be left open, of vital importance for national unity and the harmonious evolution of the revolution.

Those who participated in the 2 May meeting have the floor.

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CSO: 3010

PJCB SAYS PEOPLE HAVE EARNED RIGHT TO VOTE

Managua LA PRENSA in Spanish 1 Aug 80 p 2

[Article by Pedro J. Chamorro B.: "The People Have Already Voted So That They Can Vote"]

[Text] In those bitter days of the Somoza dictatorship, the tyrant made fun of the people "playing at democracy" with fraudulent elections. And while everyone knew the results, many could not exercise the right to vote, among them my father who, from the time he reached adulthood to the age of 53, was always in jail or in exile at election time.

Many dreamed of getting rid of the dictatorship with ballots, not bullets. That would have been a civilized solution, bloodless and above all /democratic/ [in boldface].

But denial of this right to vote in a civilized and democratic manner produced a vote of violence. The people voted so that they could vote.

But today, there are some who maintain that a unanimous vote against tyranny in the end means a vote not determined by them. Certainly a dangerous situation in view of the repeated promises of civic and democratic evolution, promises that should not be forgotten so soon because they were not made in a vacuum but before an entire people who voted so that they could vote and before an international community that concurred with this national sentiment, and with its help this universal sentiment of the people was turned into a reality: the downfall of the Somoza dictatorship.

From now on, we must build the solid bases of a genuine democracy. We must set out toward our future without succumbing to the temptation of totalitarianism, succumbing to those regimes that predetermine what people think, what the people want and crush anything that opposes their infallible, unquestionable and above all narcissistic truth. The temptation of the narcissistic state must be turned into the reality of the pluralistic state, the basis for a genuine democracy, the basis for a civil, nonviolent future. Because we have had enough of war in this country and it is no easy task to achieve that earnestly desired peace in which the economy prospers as does social well-being, in which there is abundance for all; but there can be no doubt that this is the path to follow.

The country is going through a time of decision which will determine our future and there can be no doubt that, given this new critical situation, we must all act with prudence, with objectivity and setting aside emotional outbursts, insults and "ideological recipes" to in this way be able to create. To create our original and fraternal model, to create in this profound, patriotic way of thinking a Nicaragua where we can all live in peace and, if not altogether in peace, at least without war. In a civilized manner, civically, because the people have already voted so that they can vote.

11,466

CSO: 3010

CHRISTIAN GROUP REJECTS COSEP CALL FOR ELECTIONS

Managua BARRICADA in Spanish 2 Aug 80 p 3

[Article by Antonio Valdivieso Center: "Election as Historical Decision and Elections as Political Opportunity"]

[Text] "It will always be 19 July in Nicaragua." And in Nicaragua, every 19 July should be like the dawn of a new day: remembering the past without longing, but feeling that fresh, cool breeze that foretells the sweat of the day's work, and the determination to make a reality of that dream turned hope. All of that in this free, independent and sovereign Nicaragua which, on 19 July 1980, has experienced its second dawn.

Certainly, a new day has just dawned. But a slight shadow would appear to want to obscure all that light. Just at the time the people are expressing their most brilliant affirmation, COSEP [Higher Council of Private Enterprise] is adopting an attitude that suggests its possible withdrawal from the Nicaraguan revolutionary process.

Without noticing the people's decisive demonstration of support for their leadership and their government, COSEP apparently wants to play the role of "democratic opposition," in the style of the capitalist democracies. It has not recognized that our unity is strengthening, based on a very broad consensus of the people.

His intention to restrict the political game to the minority powers appears to be so blind that COSEP has not noticed the demonstration of support of the people, heavily represented by over 600,000 citizens, not counting many others who were not present on 19 July Square because they were involved in carrying out revolutionary duties. Thousands of young people were absent because they are working on literacy campaigns in the most remote parts of the country. The elderly, the sick and the children answered the appeal not to join the demonstration because the sacrifice would be too great for them.

Probably COSEP noticed that only a few people occupied the speaker's rostrum. But right now there is nothing here on that rostrum but the leadership of a whole country that has its feet planted on firm ground.

To oppose the government and the FSLN [Sandinist National Liberation Front] at this critical point in time is undoubtedly to oppose the people. Lack of historic vision. Contempt for the people. Maybe excessive desire for power. And apparently they want to cover it all up by demanding elections according to the rules of the "democracies" of the developed countries of the capitalist world.

There will be elections here--as the present government and the FSLN leadership continue to maintain. But we must consider that many words may not mean the same thing in a People's Revolution as in a Formal Democracy. And people who talk about elections should understand that poor people--whether Nicaraguan or not--have the right and the duty to elect. But first of all, and with the risk and the demands that go along with it, they should make a fundamental election or choice, as a historic decision: to elect that plan that the people themselves are carrying out, for their own benefit.

To talk about elections here (even in the style of the "best" democracies) is to ignore the fact that a Revolution is being carried out in Nicaragua which began with an insurrection of the people, and that we seek to tear out the roots of poverty and exploitation. To talk about elections here is certainly limiting democracy to that change of "presidential factions," as someone put it, or as has also been said, playing the lottery with the votes of a citizenry that lacks a clear class consciousness and is largely ignorant of and unconcerned about the rules of the "democratic game." Because--and let no one be offended by the example--here it is not a question of choosing between Borge and Roberto (as they must choose between Carter and Reagan, or others, in the United States).

In Nicaragua--and we insist on this point--the election has been made. And the historic decision that it involves must be strengthened day by day. We want a People's Revolution, not a Formal Democracy. In the latter, the society constantly feels resentful of changes in leadership that are incapable of providing coherent unity to the whole organism. Here, the people recognize the FSLN as their only leadership, and the FSLN is effectively making it possible to train the people for increasingly coherent and efficient self-government. The people are not being told to wait. They are being made to see that they must not allow themselves to be fooled by those who can still manipulate them. They are being urged to learn to read and write, to organize, and to work on the basis of a clear class consciousness.

The problem of the "elections" is a matter of political opportunity. This is not the opportune time for elections. But we must also be careful to see that they never become the occasion for the "opportunism" of the ruling class.

We are not fighting for political opportunism; rather, we are trying to take care of the conscious development of the revolutionary process. We are not making this an Absolute Revolution. We are struggling to build

adequate mechanisms of correction and perfection (mechanisms which, moreover, should grow out of the people's organizations). We recognize that this Sandinist People's Revolution is truly an irreversible process.

And it is as Christians, thinking of God's liberating plan for men, that we participate in this "election," which was made as a historic decision by the revolutionary nation. We are not concerned with electing new government leaders, but with consolidating the historic plan of the Nicaraguan people, remembering and sharing in the hopes of all the sister peoples of Latin America.

As Christians, we can do nothing less than accept a plan whose roots are deeply embedded in a profoundly human and evangelical choice: the decision to SHARE, as against the decision to ACCUMULATE and COMPETE.

Perhaps we need to be even more generous and spirited in that choice. For among revolutionary men and women who make a decision to call each other brothers and sisters, COMMON should not mean merely the enjoyment of a few possessions, but willingness and discernment, feeling and its expression, planning and work.

Of course, all of this is not the competitive pluralism of those who deceive and rob each other, forming alliances to deceive and exploit others as well. Here we can truly build the pluralism that fits the limitations of everyone who, in turn, is willing to offer the best of him or herself for the good of the whole enterprise, which benefits the majority.

8-11

CSO: 3010

COSEP'S CALL FOR ELECTIONS SUPPORTED, HAILED

Managua LA PRENSA in Spanish 2 Aug 80 p 2

[Article by Donald Lacayo Nunez: "Elections: A Promise That Should Be Kept"]

[Text] The failure of every government begins with the decadence of the principles upon which it was founded. (Montesquieu)

In the past few days, a great dispute has arisen about the public charge of the Higher Council of Private Enterprise (COSEP), that the Sandinist National Liberation Front (FSLN) has not kept its pledge to announce a date for holding elections, beginning with municipal ones.

Let us analyze the documents that the government of Nicaragua has endorsed and adopted as its own, which mention elections. Those documents are as follows:

--The letter dated 12 July 1979 which the Government Junta sent to the OAS establishes an obligation to hold elections and is a commitment made with those countries that supported us at the 17th Consultative Meeting of American Foreign Ministers, who agreed upon and demanded Somoza's withdrawal from power. And this is a serious matter which is obvious to all the democratic and non-democratic countries of the world.

--The first Proclamation of the Government of National Reconstruction, addressed to "the Heroic People of Nicaragua, to the Sister Peoples of the world, to the Democratic Governments," dated 18 July 1979, speaks of "returning freedom, justice and DEMOCRACY to our country," and democracy means free elections.

--The Government Plan of the Junta of National Reconstruction, in the section entitled POLITICAL AREA, item 1.1, states that it will enact the legislation necessary to organize a regime of effective democracy, justice and social progress...And effective democracy also means free elections.

--The Fundamental Statute of the Nicaraguan people, decreed by the Government Junta on 10 July 1979, says in its second consideration, "...installation of a system of Democratic Government..."

And Title V, the only chapter, entitled Electoral Matters, says... "General elections will be held and an Electoral Law will be enacted." And enacting an Electoral Law means the legal instrument for holding elections, containing the rights and duties of citizens for the exercise of their right to vote in free elections.

--The text of article 25 of the Statute of Rights and Guarantees of the Nicaraguan people, decreed by the Government Junta on 21 August 1979, says the following about elections: All citizens will enjoy the following rights, without restriction: a) To organize parties or political groups or belong to them; b) To participate in the management of public affairs directly or through freely elected representatives; c) To present written petitions, individually or collectively, to any public official, official body or public authority, and the right to obtain prompt resolution of the matter; and d) To VOTE and BE ELECTED, and to have access, under generally equal conditions, to public functions.

--The American Declaration of the Rights and Duties of Man, approved at the Ninth International American Conference, held in Bogota in 1948 and ratified by Nicaragua, says in article 20, RIGHT OF SUFFRAGE AND OF PARTICIPATION IN GOVERNMENT. Everyone legally qualified has the right to take part in the government of his country, directly or through representatives, and to participate in PEOPLE'S ELECTIONS, which will be GENUINE, PERIODIC, FREE and by SECRET BALLOT.

--The American Convention on Human Rights (San Jose Pact), ratified by the Government Junta on 25 September 1979, says in article 23, POLITICAL RIGHTS, 1. All the citizens should enjoy the following rights and opportunities: a) to participate in the management of public affairs, directly or through freely ELECTED representatives; b) TO VOTE and BE ELECTED in periodic, genuine elections held through universal and equal suffrage, by secret ballot, which will guarantee the free expression of the will of the voters, and c) to have access, under generally equal conditions, to the public functions of their country.

--The international pact of civil and political rights, ratified by Nicaragua in a document of support issued on 8 January 1980, says in article 25: All citizens will enjoy, without undue restrictions, the following rights and opportunities: a) To participate in the administration of public affairs, directly or through freely ELECTED representatives; b) TO VOTE and BE ELECTED, in PERIODIC, GENUINE ELECTIONS held through UNIVERSAL SUFFRAGE, equally, and by SECRET BALLOT, which will guarantee the free expression of the voters, and c) To have access, under generally equal conditions, to the public functions of their country.

--The Universal Declaration of Human Rights, in article 21, clause 1, says: Everyone has the right to participate in the government of his or her country, directly or through FREELY CHOSEN representatives. 2) Every person has the right to access, under conditions of equality, to the public functions of his or her country.

1) The will of the people is the basis for the authority of public power. This will is expressed through authentic elections, which should be held periodically, through universal and equal suffrage and by secret ballot or other equivalent procedure that will guarantee the freedom of the vote.

--The aforementioned are national and international documents that the Government of National Reconstruction and the National Administration of the Sandinist Front should respect and implement in this country as soon as possible, informing the Nicaraguan people of the date of elections. For those same people fought, among other things, so that there would be free, honest and fair elections for the first time in 50 years in Nicaragua. It is also opportune to note that the political parties and the truly democratic labor federations have proclaimed the need for elections in Nicaragua on various occasions.

For our part, we might add that the act of announcing elections is so important that it will permit important sectors of the national life to join more enthusiastically in the process of National Reconstruction, since it would give them greater confidence and they would see that the outlook for this revolutionary process is brightening. That is, it would permit us to develop that intrinsic motivation that is needed to work with more perseverance.

Let us announce elections and the pathways of the Nicaraguan people will be widened. Deny them elections and those same paths will begin to close and frustrations will deepen, which we believe to be negative for the process.

Finally, we must reassert the promise and the obligation to announce elections in our country. They must not be postponed indefinitely, but announced NOW. The fulfillment of our commitments should be the fundamental pillars upon which the government is established, and those very principles must not weaken, as Montesquieu said.

Managua,
A.R. 28 April 1980

8031
800: 3010

COSEP'S DEMANDS FOR ELECTIONS CRITICIZED

Managua BARRICADA in Spanish 2 Aug 80 p 3

[Article by Heberto Incer Moraga: "Elections, a Fetish of the Reactionaries"; passages enclosed in slantlines printed in boldface]

[Text] When we want to determine the nature of a political system or a government, we have to distinguish the relevant elements, which constitute the essence and the structure that is characteristic of it, from those chance or formal elements which, even when they are missing, do not alter the fundamental characteristics, that is, the essence of the system under discussion.

To correctly describe our political system, we must explain what we mean by democracy. In its simplest form, we may define democracy as a system in which political power is exercised by governments whose aim is to create and make use of institutional instruments which permit them to realize programs for the benefit of the great majorities, that is, the people. The question immediately arises: Are the people the worker, the bourgeois, the professional, etc.? /No!/ The people are not the only components of a society. For us, the people are the working class and the people are neither the technician nor simply the professional, but the technician and the professional who identify themselves with the interests of the workers. The people are the child of the bourgeois who surrenders his privileges to identify himself with the cause of the proletariat. In accordance with what has just been said, democracy is government in benefit of the working class.

Obviously, this is not the traditional view of democracy. This is why Carlos Andres Perez maintains: "In Nicaragua a different model of democracy from that which we have until today known as such in America is evolving." This is not democracy /made in the USA/, which is so appealing to those here who say that "the people are the merchant and the bourgeois."

On the basis of this view, let us see whether our system of government is democratic or not, that is, whether it has the fundamental characteristics that permit us to describe it as democratic: Almost a million manzanas

[land measurement, slightly over 2 acres] of land, the property of the new state, are being cultivated for the benefit of the people; the bank has been nationalized to make loans which were denied before available to small and median farmers; 6 percent of the wealth of those who have more than 100,000 cordobas will be distributed as social benefits; foreign exchange is fundamentally being used to buy basic goods; to complete a literacy program for half a million Nicaraguans, university registration fees and the cost of textbooks have been reduced; the cost of housing has been lowered; worker participation in decision-making in both working districts and higher political bodies, like the Council of State, is being encouraged and promoted.

In short, all the laws and decrees passed during the year the revolution has been in effect, all the new institutions are aimed at benefiting the working class, that is, the people. This is the essence of democracy.

While there are other subsidiary elements, without this requirement there will be no democracy. And vice versa, secondary elements may be present but, if there is no government in benefit of the working class, there is no democracy.

Focusing on the essential element, what are the formal or nonessential elements of democracy?

We limit ourselves to pointing out only one of them: elections. In his LA PRENSA article of 27 July, Roberto Cardenal Ch. admits that, "although elections /serve only/ to justify (?) the presence of rulers currently in power... they are appropriate... it is not a matter of winning them or of gaining power..." etc. For this gentleman, a government can only be justified through elections. Even though such a government buries the people in misery, even though it represses them and denies them all their rights, even though it governs only for the benefit of an elite of industrialists and merchants, it will be justified through elections. But if there are no elections, even though all efforts and resources are directed for the benefit of the people, even though it is the people who participate in the exercise of power, even though there is peace and tranquillity, the government will not be justified.

/Hypocrites!/ In Nicaragua there have been periodic elections, as there have been in El Salvador and in Guatemala and in Colombia and in the Dominican Republic. But neither in the Nicaragua of the past nor in the countries just mentioned nor in many others where elections are held every 4 years is there democracy, because in those countries elections have been a fraud and have been publicity maneuvers the results of which can never be taken to be an expression of the will of the people. Moreover, despite the fact that elections are held, this is no guarantee that the people really participate in the making of fundamental decisions and this is a denial of democracy.

During stable periods, elections are a way of choosing one's authorities, a way of choosing one's rulers. On our continent, these authorities and these rulers are representatives of the interests of the bourgeoisie. Therefore, they make laws and govern for the benefit of the latter, not the people. So, there is no democracy and, if it is maintained that there is because the citizens elect their "representatives," we must admit that in the best examples, there is bourgeois democracy. In those countries, the bourgeoisie profits from the illiteracy and skimpy education and political awareness of those who are exploited to use them at the polls and meet a nonessential requirement of democracy and thus make people believe that there is democracy.

To have a true democracy, structural changes must be made and, to make changes, power, not only the government must be assumed. From the day it was founded, the FSLN [Sandinist National Liberation Front] has realized that, to initiate true democracy in Nicaragua, we had to oust from power not only Somoza, but the bourgeoisie as well. Our history in the present century teaches us that this power can never be attained with votes, but through a people's war. But for the FSLN, power was never an end in itself, rather only a means of achieving another goal, the establishment of a revolutionary and democratic government that would replace unjust and corrupt agencies with new ones that would enable us to implement a minimal program for the benefit of the people: better distribution of wealth, sensible use of our natural resources, the granting of priority to the use of foreign and domestic funds for our basic needs, working fallow land, the promotion of unionism, the elimination of illiteracy, the democratization of education and the raising of Nicaraguans' standard of living. In a word, to strive to do the best we can in the best possible way for the greatest possible number of Nicaraguans is the essence of our democracy and the essence of the FSLN program.

In addition to being a blunder, abandoning this program at this time to engage our efforts in an electoral campaign would be a betrayal of the people and those who died to make this program a reality.

COSEP [Higher Council of Private Enterprise] members maintain the need for elections to avoid a drift toward totalitarianism. They claim that the people (read: the bourgeoisie) voted to boot out Somoza, not to fall prey to another dictatorship. COSEP members claim that elections are necessary to be able to invest and work, "to give our all," as E. Alvarez Montalvan puts it.

For the first time in their lives, they propose this prerequisite and are cynically silent as to the fact that their capital came into being and grew without benefit of elections, because there was never any truth in this. They demand elections and threaten us if there are none. They know that they would be swept overboard ("We do not dispute the popularity of the FSLN," says Ismael Reyes), but afterwards they would allege fraud and that would be a pretext for requesting a recount. They would hypocritically admit defeat today only to claim victory tomorrow. In LA PRENSA (28 July

1967), Mario Alfaro A. said: "What is of importance is that elections be held, not that this or that party should win. The assumption of power by a given party is not what matters, etc." The fact that CODEP members, coldly calculating and in the habit of always thinking in terms of profits, should now bet on what they know would be a losing card, elections, is suspicious.

After militarily defeating the dictatorship, the FSLN created power structures that would enable the people to exercise their will: the Council of State, the Program Coordinating Commissions (CPC), the Ministerial Cabinets, the Armed Forces, the APP [expansion unknown], etc. In all of them, the people are represented through their mass organizations. For the first time in the history of Nicaragua, a worker, a farmer, a woman from a city district can voice their opinions in higher decision-making bodies.

The workers are directly represented in all the governing councils of the autonomous agencies and people's property sector enterprises. And for the first time, union and communal organizations can participate in the drafting of laws that benefit those they represent, the people, in the Council of State, a colegislative body.

This is Sandinist democracy. To make it perfect, we will have to hold elections, but not with the opportunist mentality of the past in terms of which politicians strove to benefit from power, rather to choose those most inclined to work and make sacrifices and elect those who best represent the historic interests of the working class, elections to choose the best of the good candidates to be the vanguard of the people's power.

11,466

130: 3010

'LA PRENSA' CRITICIZES REFUSAL TO ESTABLISH CHINESE TIES

PA280330 Managua LA PRENSA in Spanish 20 Aug 80 p 2

[Editorial by Pedro J. Chamorro Jr: "The Devaluation of the Nonalignment"]

[Text] Since it's triumph, our revolution has proclaimed itself openly "nonaligned" with any of the two dominating blocs disputing world supremacy.

However, day by day, new doubts emerge regarding the authenticity of the much touted "nonalignment" and the revolutionary achievements with regard to international policy. When I went to the Soviet Union, it was said on several occasions that Nicaragua was now a free country and, as such, could have friendly relations with all the peoples of the world, without any kind of discrimination. To me this sounded good, just and necessary.

But the State Council's refusal to accept Alvaro Jerez' proposal asking for the reestablishment of relations with communist China has created great doubts about the authenticity of the "nonalignment" policy and made me believe that this policy has lost a great deal of credibility. This is especially true if we consider Nicaragua's abstention vote at the United Nations when the great majority of nonaligned countries asked for the immediate withdrawal of Soviet troops from Afghanistan. It was said at the time that "there was insufficient evidence to condemn the invasion." We now ask 7 months afterward: Is there not evidence now to condemn the invasion? Even after the Soviets have dropped napalm and chemical bombs in an indiscriminate manner on the Afghan people?

Now that relations are proposed with China, which has strong ideological and territorial differences with the USSR, the person who made the proposal was abused in the harshest terms. Why? What is wrong with Nicaragua having relations with the most populated country in the world--800 million inhabitants. Why should we say no? Is it perhaps that the much touted "nonaligned" policy is also selective? Just like its anti-imperialism, which is a one-way street?

The Soviet Union itself has relations with China. But we, who do not have any problems with China, and especially when we are "nonaligned" cannot.... Why?

A young technician working with the agrarian reform was enraged as he told me: "Are these people aligned with Russia? If they are aligned, let them come out and say it. What we need here is a Tito, a real marshal of "nonalignment" who told the Soviets: "I am in command here and Yugoslavia will be a country non-aligned with any of the two superpowers."

'LA PRENSA' CRITICISM OF SOCIALISM SCORED

Managua EL NUEVO DIARIO in Spanish 22 Jul 80 p 2

[Article by Julian Sabogal Tamayo: "Capitalism or Socialism: Are These the Two Alternatives?"]

[Text] In the Thursday, 19 June 1980, issue of LA PRENSA, an editorial appeared with the following title: "Saint Socialism? Saint Capitalism."

I intend to make a few comments on this editorial for the purpose of which I will try to be as objective as the subject permits. I will avoid lapsing into a "personal attack on this blasphemer..." and I will also not prejudge him as being "motivated by obscure, self-serving or malicious interests," accusations against which the author guards himself in the editorial. I will have no choice but to regard him as wrong in his interpretation of the history of mankind.

To begin with, the editorialist in question bases his argument on a false premise: "A people and a revolution seeking to create their own way of life must examine the alternative models available with great objectivity." On the basis of this assertion and according to the subsequent analysis, we deduce that there are three alternatives: The first is to follow the "path" of capitalism, the second to follow the "path" of socialism and the third to take the best features of the two "models" to create an optimal mixture of them. This last alternative seems to be the one the editorial implicitly recommends. To offer capitalism and socialism as two alternative paths for Nicaragua is absurd. First, because history as it really is offers no perfect models from among which nations may choose and, furthermore, because Nicaragua has just now finished going through a period of capitalism that lasted for many years. The Somoza regime was capitalism. Perhaps LA PRENSA hopes to preserve the good points of the Somoza regime, believing that Somoza represented the evil in it and that, therefore, the same capitalism without Somoza is good. If that is what is intended, it ought to be made explicit.

The LA PRENSA editorialist seems to be aware of the implicit deceit in the absolutization of certain ideas. Unfortunately, the next moment he himself

falls into the error he is criticizing. There is neither absolute good nor absolute evil, as it were, "in black and white." There is only good for someone, which may be bad for someone else. The good in capitalism is the freedom to exploit others, thanks to private ownership of the means of production, and to go on getting richer and richer. The good in socialism is the ability to be free of exploitation by others, thanks to the non-existence of private ownership of the means of production. A union of these two good features is therefore a logical contradiction. This is the essence of the problem; anything else is quibbling over superficialities.

The editorialist was right when he said: "Both systems... have made valuable contributions to mankind," but, in his recent interpretation of this statement, he displays his ignorance of history. The contributions of each system were made during different periods of historical development. Capitalism made extraordinary contributions to mankind when it appeared on the historical scene, young and vigorous, to take the place of feudalism which had already seen its good centuries. Today, this same capitalism has grown old and, such being the case, has accomplished its historical mission and, therefore, just as it replaced another system, so it must be replaced. On the other hand, socialism made its appearance on the historical scene in the 20th century and was introduced precisely to solve the fundamentally insoluble problems of capitalism. And it is a system that is naturally subject to the objective laws and development of historical reality. It is not More's Utopia. Only someone who has not studied the history of mankind with due scientific rigor could propose capitalism and socialism as two contemporary historical alternatives.

We cannot set the Sandinist revolution the task of classifying pure "models" from among which we have to choose one or combine parts of different ones like someone putting together a puzzle. The Sandinist revolution will evolve as it has up to now in accordance with the demands the reality of its historical development places on it. Reality is interpreted by the vanguard of the people, the FSLN [Sandinist National Liberation Front], and implemented by the people themselves under the direction of the former. In order to advance this process, we must of necessity be familiar with the experience accumulated by mankind for the purpose of avoiding its mistakes and profiting from its achievements.

The essential issue is: To the benefit of which class interests is Nicaraguan reality being transformed? This is the basic issue concerning which all the discussions and disagreements have been going on these past few months. Independent of the language used to explain it, behind every political issue there lurks a class interest. In defense of these interests, the works of the most diverse of authors have been dug up, some of them buried for centuries now, in an attempt to find in them a formula for defending capitalist exploitation within the framework of democracy, love, liberty and justice. But at this point in history, those in Nicaragua who are defending the interests of the people are in the right. Attempts made against this truth will serve to no avail.

'LA PRENSA' DEFENDS ITSELF AGAINST ATTACKS

PA232000 Managua LA PRENSA in Spanish 14 Aug 80 p 2

[Editorial: "The Scapegoat"]

[Text] We have been chosen as scapegoats. Everything we publish is wrong. Ill-intentions must be sought in everything.

We are [regarded as] enemies, not because we criticize anyone, but because we publish reports showing hatred to no one.

We are being branded as counterrevolutionaries, not because we oppose the revolution but because we freely publish the opinions of the various sectors which are involved, one way or the other, in the process of reconstructing Nicaragua.

We make room for pluralism because our newspaper is a true vehicle of free expression.

If FAC [not further identified] publishes its impressions on the controversial attitudes raised by the Nicaraguan situation in Europe, the attitudes are blamed on LA PRENSA. Who reads LA PRENSA in Europe?

The fable of the wolf and the sheep is being reenacted with LA PRENSA.

A scapegoat is drinking the water of the river as a wolf looks for an excuse to devour it. "You have made my water muddy," he tells the sheep. "How could I have made your water muddy when I drink downstream (in the plains) and you do so upstream, at the source?" However, the charges continue. "I have been told you spoke ill of me a year ago." The sheep defends itself, "I had not yet been born a year ago." "It does not matter," the wolf says, "someone in your family has spoken ill of me." The fable ends with the wolf "devouring the sheep unceremoniously."

Like the sheep, should we ask the question of how could we be against the revolution if it is largely the result of the blood shed by the martyred director who is our mentor?

Why, then, have we been selected as scapegoats? Could it be because we insist on defending the Christian and Nicaraguan essence of our revolution?

Could it be because we are clinging stubbornly to democracy? Or it is perhaps because we are trying hard to preserve the freedom that cost so many years of struggle and so many lives?

No, we are not against the revolution: we want it to triumph and develop. We have a high regard for the revolution. The freedom we express--the freedom that has triggered so many harsh attacks against us--does not benefit this newspaper: but the revolution.

However, when we speak of revolution we do not confuse it with the overbearing attitude of those who attack us with the aggressive and insulting language that demands human dignity without qualms, arbitrarily passing judgment on others as if holding a public service post entitled anyone to judge the living and the dead.

We believe revolution means a different attitude, a different sense of justice, a different human experience and a different testimonial of truth. This is what we are struggling for. This is, perhaps, the cause of our being selected as "scapegoats."

CSG: 3010

ALVAREZ MONTALVAN SAYS PLURALISM PREVENTS COMMUNISM

Managua LA PRENSA in Spanish 2 Aug 80 p 7

[Text] First of all, Dr Alvarez Montalvan was asked about the celebration on 15 July, and how the Democratic Conservative Party of Nicaragua approached the event.

The above-mentioned professional responded in the following manner:

"I cannot speak officially, but personally these are my observations: All in all, it was a positive event. The usual threats and insults and inconsistencies were absent. Things were run with equilibrium, with moderation; that was good for Nicaragua.

"I even think that there was unexpected cooperation in this effort by Fidel Castro and the other speakers. Of course, the keynote speech of the morning was that of Carlos Andres Perez. This man got to the heart of the problem, which is that developing countries should not allow themselves to be manipulated by the quarrels of the great powers, nor should they be occupied as a means to annoy one or the other of the superpowers.

"These countries should try to obtain aid from both powers, without going into the unconditional orbit of one or the other. That is a theme which Fidel Castro, naturally, could not touch upon, because he is already a Russian satellite. The lesson given by Carlos Andres is: 'Look how badly it's turned out for you, running with that crowd, and look how I belong to a country where presidents are elected regularly. Because of that, I don't mind sitting next to you or the Russians or anyone, because we democrats are like that; we are pluralists. We give ourselves those luxuries.'

"So Carlos Andres' speech was the best piece of oratory. Not only is he a good speaker and a man who handles language with a great deal of precision, but his manner is truly motivating.

"As for the others, sure, Price is a protestant pastor, very discreet, very wise, very simple. Now Fidel's speech was truly interesting for me, because in him I saw a depressed, introspective leader. After 20 years, he realizes that he has not reached the grand position he had imagined. He recommended

that his proteges be prudent, and expressed his hope that they would triumph and obtain what he had failed to achieve.

"So he was very sincere when he said that he had come to learn. Of course he has much to learn from Nicaragua! He must learn that having an impact on what has been established before is the greatest advantage a government can have; that allowing an ideological impact stimulates people and gives them confidence.

"Thus, after 20 years it is interesting to see how a man of his caliber is learning from a small country. Of course, some things were really exaggerated!

"In my opinion," Dr Alvarez Montalvan goes on to say, "that military parade was exaggerated. Here we are sick of military parades. Here we have seen Israeli tanks, trucks and all those things and huge regiments and Belgian automats, etc.

"For me, the revolutionary thing to do would have been another kind of parade: the 100,000 literacy teachers marching along at the front with their flags and their books, singing and dancing, proving to the nation that we have arrived at a new method for developing the country.

"But to continue playing tin soldiers, that is a little redundant, I would say. I would like to have seen a more imaginative celebration in terms of the parade.

"Now," he adds, "the speech by Commander Ortega was a lesson in history, a bit long. I think he had already said the same thing on other occasions. I was not very impressed by it. But all in all, it was a positive event."

Political Party Law

Concerning the political party law, which will be introduced shortly by the Democratic Conservative Party of Nicaragua before the Council of State, and which has still not been the subject of any official comment a full year after the revolutionary triumph, Dr Alvarez Montalvan was asked his opinion. This was his answer:

"This law is of vital importance because it institutionalizes the political parties which are the street vendors of democracy and proselytism. They are the bases for the organization of a consensus government.

"We must go through this law, because otherwise the politicians will have nothing to do in the street. They have no license, no well-defined place within the state structure, and furthermore they are the necessary antecedent to elections. If we talk of pluralism, we are talking about disputed power, and the civilized way to resolve that dispute is through elections.

"It is impossible to imagine a politician without elections; elections are for the politician what oxygen is for living beings, what water is for fish. They are an indispensable element in life. If the politician has no election he becomes an agitator, and that is not what we want in Nicaragua.

"I also have this thought on that issue," continues Dr Alvarez Montalvan. "What is being created in Nicaragua is a climate of more tranquility and confidence. This has been happening for 5 months, since the government became more moderate. So what does this indicate? That the people have more confidence when the hotheaded radicals are not running the country.

"When the leaders of this revolution restrain themselves, the country calms down. What does that mean? That often agitation comes from the government itself. What the people want is peace and tranquility so they can get to work.

"In this manner, as soon as the two people were named to replace the ones who had resigned, the country heaved a deep sigh of relief and said, 'How nice that those two people are going to be there.' What does that mean? That the country wants moderation, not radicalization."

Why Doesn't FSLN Consider Itself a Party?

On the subject of the political party law, the doctor was asked what he thought of the fact that in the very beginning of the first speeches after the victory Cmdr Tomas Borge said that the Sandinist National Liberation Front (FSLN) could become a political party.

Party with Guns

"It is a unique political party," answered Dr Alvarez Montalvan, "because it is a political party with guns, and that is a novelty in Latin America. I say welcome to the Sandinist Front union, but we are going to have colleagues with guns! That is, as I said, a novelty, because a political party is in essence a civilian party.

"It is a party which abandons weapons as an instrument of change and uses the vote as a means to resolve disputes. But with or without guns, if it participates in politics then it is defined as such.

"Of course, this presents a limitation for them (those of the Front). If they are a political party, then the red and black flag can no longer fly over public buildings, because the Front is already a political party.

"And if they are claiming that the only ones who can use the name Sandinist are those of the Front, and the Front is a political party, then those of the Sandinist police and of the Sandinist army will also be left out.

"Then it would be an even more spectacular event: a political party with guns, with a flag next to the national flag, with police and an army. Well,

that combination would really be so revolutionary, something so progressive that it is unheard of anywhere in the world, something that is just being discovered here."

later Dr Alvarez Montalvan stresses: "What is dragging the country down is that it happens that the Sandinist National Liberation Front does not want to become just another political party, to dispute its ideological thesis with the others and proselytize with the others. It is in power--perfect. It has more facilities--perfect.

"Perhaps it has a lot of sympathy, and I understand that. These people deserve respect because they are honorable and hard-working. Magnificent! I understand all that. But if we are talking about politicians and proselytism, we are all equal. We should all have the same opportunities."

Concerning COSEP

The Higher Council of Private Enterprise (COSEP) has been publicly protesting because it says that on 19 July the Front did not announce what it was supposed to. Dr Alvarez Montalvan stated the following in that regard:

"COSEP had to go in and play there like a politician, when that was not its role. That was what the FSLN required it to do, and that's fine. It had to do it. However, they had neither the malice nor the experience, and they thought it was a clean game, played in good faith. They ended up being hoodwinked.

"What Cmdr Bayardo Arce said the other day, about it not being representative, makes me wonder: Why do they want them?

"They (of the FSLN) say they are not a political party, so they have no reason to discuss politics. So why do they want to talk politics with them?

"Finally, an agreement was written there; it was signed by the commanders, and by the COSEP leaders. It can be called an agreement or a pact. I don't know what to call a piece of paper signed by two parties in which they commit themselves to what COSEP said it was committing itself to. But now they say they didn't agree to anything; they just come out with the Mexican song: 'I tell you yes, but I won't tell you when.' That is not a serious attitude."

Big Package

"Because you see, in this country, we must be clear. This is a very big package which cannot be eaten only by the FSLN. The FSLN has to reach a kind of truce with other social, political or economic forces of this country in order to govern in peace. If not, we will fall into the old pattern of 'This is my government and I know what I am doing, so leave me alone.' This country cannot be governed by a fraction.

"It happens that the national spirit that the front leaders mention so often is correct; the problem is that they do not make it a reality.

"But this philosophy is in the right place. This country, during these times of convalescence, after a long illness, needs unity. But it must be a unity based on good faith and credibility; I think the country has been harmed because this commitment was not honored."

Economic Reaction

Speaking of COSEP, which is the economic part and which has practically represented the economy; concerning what is being promoted so that the government will really provide the necessary facilities to restore the economy, how do you view all this now, Dr Alvarez Montalvan, with the large nucleus of unemployed workers, with industries that have not been reactivated, with businesses that have not opened? How does the economy feel? How do you see it?

"The country," says Dr Alvarez Montalvan, "has reacted economically, without a doubt. Because our main exports, which are cotton and coffee--not so much coffee because its production has been seriously damaged by all the disruptions caused by CONARCA [expansion unknown], but anyway, regarding the matter of the coffee rust, I don't want to go into technical details as to whether everything that was done was good or bad--but cotton, for example, is now in good shape, with 150,000 'manzanas.' That is the right figure."

Elections

"However," he adds, "the country is still insolvent. This country has no payment capacity. Its export and import figures are still in the red. And if we add to that deficit the servicing of the public and private external debts, we see that this country is still living off public charity.

"So we Nicaraguans have to be clear, we have to create a domestic climate that encourages increased production and savings capacity. The only thing that would improve the situation would be elections, and this is the reason.

"Any society has its conflicts; any society has its limitations. The savage way to resolve these internal conflicts is to shoot bullets back and forth. Then the man in the street, the working man, is caught in the middle. He doesn't want to plunk down his money; he doesn't want to invest. Nor is there any hope for the future.

"But if a country says, 'My disputes and internal difficulties shall be resolved by means of elections,' people calm down. Then they say, 'Well, we have to get to work here, we have to make plans, because we're going to end up having elections here.'

"The problem with elections is not what some leaders who talk on television say it is. It's not that we're asking for elections today or tomorrow.

No! We are, however, asking for a Plan X, 1980-81-82. But that is not important. What is important is that there be a commitment and a decision to guide and organize this definitively through elections.

"Now they say very protectively: 'We are making a clean sweep.' But it doesn't matter if they sweep; the problem is not a matter of making a clean sweep. The politician is to a certain extent an athlete. What he wants are rules for the game that will not deceive or mystify him, but will give him an opportunity.

"But if the man wins, then he wins, as long as there is a given time period during which he will give us the same opportunity so that the administrators of today can be confirmed or thrown out.

"The problem is not whether you beat me or you don't, but if you beat me now, will you give me, as they say, a rematch under the same conditions I am giving you today?

"Thus, the fundamental idea behind elections is to clear up the horizon of production, and as long as there are no elections the horizon of this country will not inspire the necessary confidence for investment and for increased production."

On Marxism

With regard to the game of rules, in which the political parties compete, a question occurs to me: Could this nation become, or could there be Marxist-Leninism in Nicaragua?

"Well," answers the interviewee, "a lot of Marxist-Leninist jargon is thrown around these days, although there is a lot of care not to mention that word, which has become more taboo for many of those advocates. They are afraid to admit it, but they like that philosophy.

"I will tell you that Marxism is being replaced nowadays in the contemporary world. Even Marx' simple theory, which said that the moving force of history was the class struggle and that the instrument thereof was the proletariat, referred to an industrialized Europe which was beginning to experience all the abuses that existed in the middle of the last century in the textile factories of Manchester, England, etc. He was talking about an oppressed, smothered proletariat, and he saw in that group the main victim of the economic system. He thought the proletariat was the lever of change.

"So a country with no industrial proletariat does not have the minimum conditions necessary to produce this situation, which for Marx was almost a ripe fruit. He assumed that without flourishing capitalism there could not be a large proletariat, and without a large proletariat there could be no sharp contradiction.

"Thus, if we have no proletariat, because we have no industries, what we have is a large peasantry, and with a great number of peasants I do not see how you are going to produce that Marxist-Leninist doctrine which is based on the proletariat. As a matter of fact, when the Russians achieved power in the October Revolution, they found that there was an insufficient sub-structure because the proletariat was not big enough. Then Lenin and later Stalin had to browbeat all the peasants to make them work like slaves in order to produce the surplus they had been unable to obtain in the factories because there was not enough industry.

"So the first deviationist of Marxist-Leninism was Lenin, and the next one was Stalin. Then the Marxism that remained in Western Europe, Central European Marxism, has continued to evolve at a much more logical and much more modern pace. Those Marxists foresaw two things that would be the products of the contemporary world: first, that capitalism was capable of producing the necessary corrections for its own errors; and second, that the peasantry in underdeveloped countries is the most important class; and third, that the communists were going to come to blows amongst themselves, as happened with Russia and China.

"Now the question is, who is the guardian of the Bible, Moscow or Peking? Both tell the greatest horror stories about each other, worse than what the Russians say to the Americans and the Americans to the Russians.

"The result is that experience has proven that that messianic, romantic idea of a sacred book called DAS KAPITAL and a great prophet known as Marx, and a dogma, dialectical materialism--all that is just one more doctrine, one more of so many philosophies that man has organized in order to soothe the anguish of a troubled world.

"But we are far from believing that this solution is viable, unless it is enforced with a big stick. Indeed, I have never heard of a country in the world in which communism, Marxist-Leninism, has been introduced without planting the seeds of terror. It has never happened through elections.

"One of the things that comfort me about this country is that as long as I see this policy of liberalization, this pluralism, the presence of political parties on a civilian basis, on the basis of convictions, then we are in good shape, I think.

"Because we do not have the preliminary conditions that are the only conditions that can lead to the introduction of communism in a nation in terror.

"If there is no terror, there will be no communism in Nicaragua."

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CSO: 3010

CHRISTIAN PERSPECTIVE OF REVOLUTION, SOCIALISM

Managua BARRICADA in Spanish 30 Jul 80 p 3

[Open letter to Humberto Belli P. by Pastor Bautista Jose Miguel Torres]

[Text] Dear Humberto:

In your last article on this issue, I believe you raised several questions and thoroughly went into several points which we have to discuss to clarify the matter for our people.

In your epistemological appraisal, you want us to recognize that the cause of the historical economic problems incurred by colonialism, imperialism, unfair trade and exploitation, is man and his weaknesses, or the very nature of human beings, and in the end you maintain that the only force capable of totally eliminating human selfishness is Jesus Christ and the love that stems from God.

While I agree with your concerns and also with the spirit of your statements of faith, from a Biblical standpoint I would like to add that Christianity should not be compromised with the cunning or veiled defense of negative values like private ownership, nor even less with the specter of an attack on the effort to create a new society through the revolution, all of which could be gathered from your argument which is the view of one individual.

In the first place, to claim that man or human nature is the cause of the evil, independent of any environment, does not agree with the Bible. In Genesis, which is an anthropological interpretation of the mythical history of mankind, the evil appears to stem from something external to man. This is the meaning of the serpent with his seductive line: "You will be like gods."

Earlier, God himself had described his creation of man as good. The sapiential writers of Israel's golden age said: "I was created in wickedness and my mother conceived me in sin." They were not referring to sex but to what we would today call an environmental, global or intrasystematic reality. When Jesus sent the 70 to preach the gospel, they went, they healed, they

preached, they taught and they exercised and, when they returned, Jesus interpreted the nature of sin and said: "I saw Satan fall like a flash." Here we perceive the cosmic dimension of evil and it covers systems, structures, institutions, relations, means of production, social systems and the individual.

Now when people fight to change the system, its structures, while it may not mean the total elimination of evil or selfishness, their efforts fall within the vocation God has always called on man to adopt. It is not Christian to engage in disquisitions as to whether people or the system come first or whether the material world does and then the spiritual world; nor even less Christian is it to say that in the face of these differences we Christians separate ourselves from those who do not view things from a religious standpoint.

Although he did not absolutely eliminate evil, Christ himself in his time staked his life on the effort, with faith in it and the hope that it was worthwhile dying for mankind. Elsewhere, concern for the material conditions of human life was the great concern of the God of the Bible, from Eden to the Promised Land, from the sharing of property of the first Christian community to the promise of a new heaven, a new land.

Secondly, when the Marxists point out the capitalist desire for the accumulation of economic goods as a cause of unjust dominance relations of or man's exploitation of man, Biblically this is a valid assertion. "The love of money is the root of all evil" (1 Timothy 6:10). Here love refers to the unconscionable desire for profit, that is, controlling the market. The word Cain comes from the Hebrew root "ganah" which means to acquire. And to unconscionably acquire is to murder one's brother.

And this is what leads to wars, unequal relations, class antagonisms. Working and fighting to change the system is an attempt to save mankind, not to prove a theory for which the economic aspect is the determining factor. In Biblical terms, this means straightening out the crooked path and, in explaining this, John points to specific aspects of the system: "Stop overcharging others, share what you have, rebuild your lives."

The system is attacked because it is a reality that has been created in which man is his own victim and the social sciences, such as historical materialism, help us to understand the workings of domination and exploitation of the oppressing society and, furthermore, point out ways of transforming it which are specified for each context.

Thirdly, I do not see that the study of man is restricted through this approach; rather more attention is directed toward it because, while in other, bourgeois views man is spoken of in the abstract, with Marxist Nicaraguans are dealt with in specific terms: workers, farmers.

And the Bible teaches us to consider real people, our neighbors. We should not defend individualism nor its interpretations of life and society. The

Bible is loaded with corporate figures. The one called Abraham is for the benediction of all mankind. In the Old Testament such a corporate notion of a People of God is developed that they said: "Our fathers ate sour grapes and it set our teeth on edge." In the New Testament the notion of the Kingdom of God, the notions of the Body of Christ, the Church and finally the Holy City and the redemption of the creation are collective concepts. "Che" said that "the trees do not keep us from seeing the forest," but dialectically he also maintained the opposite.

And finally, I believe that your concerns over the problems that exist within the socialist camp and the new forms sin is assuming are relevant, but they should not constitute a reason for paralysis in the struggle for the revolution, rather for prayer and work. Now, as I see it, in a new society there are more opportunities to mold Christianity. This is a time of opportunity and also of decision. Earlier, I remember that, in the church I was baptized in, despite their individual conversions, our rich people continued to be a party to the exploitation of the unearned increment of the labor of others and, if it occurred to any one of them to act in a just manner, the system did not let him since a "bad example" of fair wages would have unleashed a crisis in the system and it was better to strangle any modern looting that could repay the product of exploitation with loans and other pressures. One cannot be Christian in one's financial transactions in an exploitive system.

Today, Christian love can be experienced in the struggle for justice, in the creation of a better quality of life in all contexts, from interpersonal to organizational levels. We know that it is not the Kingdom of God, but it is the penultimate and what is important to us. It is not crushing people with eschatological absolutes, rather that Christ at this time in our history has relinquished us from being his witnesses in all geographical latitudes and all dimensions of human life.

We should not be surprised at either these deliberations or at a process which, to save mankind, requires the destruction of a system. This was the choice open to Jesus when, to transform the possessed into something else, he had to destroy the lucrative business of that herd of swine in Gadara, which was an expression of the system involving that means of production.

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CSO: 3010

COMMANDER NUNEZ TELLEZ HAILS NEW BOOK ON FSLN STRUGGLE

Managua BARRICADA in Spanish 27 Jul 80 p 3

[Text] We recommend that all members of the Sandinist National Liberation Front (FSLN), as well as those of the mass organizations, the Armed Forces, and the public in general, read UN PUEBLO EN ARMAS [A People at Arms]. With this small booklet by Cmdr Carlos Nunes, the National Secretariat for Propaganda and Political Education of the FSLN begins its series of Revolutionary Testimonials. Herewith we reprint part of the booklet's introduction.

Introduction

The pages of this booklet, written hurriedly within the limits of the occasional free time we have, are not definitive. This effort is just a humble contribution to the history of the Sandinist People's Revolution so that new generations of free men in the Free Homeland may learn more about it. This is a brief summary of the struggle, and should pass through the sieve of criticism; its errors should be corrected, and comments by combatants and leaders are encouraged. Only in that way can it be useful as a revolutionary experience for other peoples who are also struggling for their final emancipation.

We should point out that basically this work represents an attempt to synthesize a wealth of experience, which has not yet been assessed or totally processed by the Nicaraguan revolutionary movement. Its value takes on an unexpectedly great dimension within the political context in which we had to wage part of the total battle of our people to shake off the yoke of the criminal Somoza dictatorship. Like all hasty jobs, it has its limitations, we are aware, in terms of accounts of various aspects of the war. Certain battles or situations which in their time had a great impact on the fighting forces have not been mentioned. If one thing stands out in relation to other aspects, it is our intention to present, in a certain orderly fashion, the transformation of a small political-military force into a devastating machine, with the capacity to win resounding victories over overwhelmingly powerful enemy forces (from the technical-military point of view).

We have no pretensions about being a writer; this is a modest effort to objectively convey the anguish experienced throughout the liberation war, the emotional or exemplary reactions of the cadres, soldiers or chiefs; the conduct of the enemy, the far-reaching political decisions, the decisive nature of Sandinist unity, the brotherhood of the revolutionaries; the dedication to the just cause taken on by the FSLN, without regard for all the risks and vicissitudes endured. War, as it develops, is devoid of any romantic vision; it is hard as nails, as painful as the most grievous wound. As it evolves it expresses the destiny of a yearning people who must resort to armed struggle in order to achieve a peace other than that found in the grave.

The struggle, the battles, the confrontations, all are fought by men of flesh and bone; hence the dramatic, real and unequivocal commitment that must be bravely undertaken by revolutionary movements that choose this route, plagued with stumbling blocks, pitfalls, defeats, at the end of which is total liberation, the longed-for triumph.

There is no other way; he who thinks the struggle is easy, is wrong. There has never been a true revolution in history that was achieved with speeches, strewing flowers along a path whose route is necessarily beset with countless dangers and pitfalls. War is a political-social event which manifests the sharpest contradictions among classes; those in power cannot rest easy when they see a threat to their privileges. On the contrary, they fight ferociously to maintain a status quo of exploitation and oppression.

The Revolution cannot give birth to its historic plan for liberation, both in terms of the assumption of power and the forging of changes to build a new society, if it does not resolve the historically irreconcilable class contradictions by means of an armed struggle.

Our people had no choice. More than four decades of oppression and merciless exploitation could lead to no other result than that of eliminating a despotic dictatorship with the force of weapons. That was the only road left open to the Sandinist people; that was the legacy, the lesson taught us by the Father of the Anti-imperialist People's Revolution, General of Free Men Augusto Cesar Sandino; that was what we were taught by our older brother, Carlos Fonseca. We had to assimilate it as an intrinsic part of our daily behavior. The Sandinists bore on their backs the historic burden of burying the Somoza military dictatorship by means of a revolution carried out by the people and the vanguard.

That historic accomplishment was based on maturity and the Sandinist Front's ability to resolve its internal contradictions at the decisive moment. The mere act of writing these words obliges us to acknowledge the vivid, shining example set by the forces of the Internal Front, in all their splendor, when they put aside their differences in order to combine their energy for the maximum benefit of the struggle against the common enemy.

Without unity, the heroic resistance in Managua would not have been able to contribute to victory; without unity the feat of the tactical retreat would not have been achieved; without unity Managua would have fallen into enemy hands; without unity the taking of Jinotepe and Granada would have been mere dreams due to boot-licking, sectarianism, competition--the most repugnant behavior. This is one of our best experiences, because we came to understand the real and decisive significance of Sandinist unity in the collapse of the entire Somoza political and military structure.

With unity we won all: during the war it was vital for obtaining victory; in peace it will be essential for maintaining that victory.

So important is this lesson taught by the FSLN with respect to the policy of alliance, using unity as a potent force to move all forces, that ignoring it would have disastrous consequences for all revolutionary organizations that find themselves torn apart and fragmented in their respective countries, or for the exiled revolutionary contingents that have no ideology or direction and merely await the final toll of the bell.

The entire world cannot yet benefit from the experience of the Sandinist People's Revolution because it is just now beginning to be chronicled. Revolutionary organizations and oppressed peoples should understand precisely that it is not easy, given the conditions of our country, to render a faithful version of a struggle that lasted for years; but they should realize that the efforts made to put that experience down on paper will indeed strengthen the combative history of Latin America, because our Revolution is part of the entire continent. It lights up the whole region with the increasing brilliance emanating from popular uprisings. As in other sister nations, popular rebellion was able to overcome all difficulties and achieve victory.

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CSC: 3010

NICARAGUA

ROLE OF DOMESTIC TRADE MINISTRY EXPLAINED

Managua EL NUEVO DIARIO in Spanish 22 Jul 80 p 5

[Text] The MICOIN [Domestic Trade Ministry] was created as a high-level agency to regulate the nation's trade activity. MICOIN was established by an agreement dated 27 December 1979 by the National Reconstruction Government Junta for the following purposes:

1. To contribute to the economic and social well-being of the population through the regulation and control of commerce in the nation.
2. To provide the people with an abundant and reliable food supply in good hygienic conditions and at moderate prices.
3. To coordinate the distribution system for foods and other consumer goods and services in order to meet the needs of consumers while at the same time making such goods and services available to lower income groups.
4. To provide a fair and equitable exchange for all the sectors involved in the system, inclined toward a redistribution of income in the commercial sector favoring small businessmen and consumers.

To achieve the goals for which the MICOIN was established, the following general and specific objectives were drawn up:

1. To cooperate in the improvement of the social well-being of the people by means of regulation and control of the nation's activities through a rational and reliable supply of foods in good condition, which will reach the people at reasonable prices.

2. To establish a suitable combination and distribution of foods and services that better meets the needs of consumers, enabling them to meet their food requirements in order to eliminate the various levels of malnutrition suffered by our people.

3. To draw up budget allocations to facilitate the implementation of the food distribution plan.

4. To provide the existing popular and private enterprises with:

- a) More training in merchandising;
- b) An advisory program to improve business management methods;
- c) Technical and economic research;
- d) Information on and control of supply and demand for food products;
- e) Information on decisionmaking in the MICOIN;
- f) Infrastructure for the operation of the food production and distribution system;
- g) Support and funding for food production and distribution firms;
- h) Programs in the public sector to facilitate the operation of the distribution system;
- i) Regulations against monopolies, speculation, and unfair trade practices.
- j) Regulation of markets by means of price setting and price controls for products essential to the consumer, regulations in the public sector.

8. To design mechanisms and create conditions suitable for mobilization in base organizations that will help to carry out control of practices by MICOIN and the operation of food distribution systems.

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CSO: 3010

NICARAGUA

STATUS OF AGRICULTURAL DEVELOPMENT DISCUSSED BY MINISTER

Managua EL NUEVO DIARIO in Spanish 20 1 80 pp 6B-7B

[Text] The following is the text of the address delivered by Comdr Jaime Wheelock Roman, minister of agricultural development, at the ministry commitment meeting on 14 July 1980, and published and publicized by the MIDA [Ministry of Agricultural Development]-INRA [National Institute for Agrarian Reform] press.

Comrades in the Higher Agricultural Development Administration, directors, administrative employees of the ministry, workers and directors of the people's ownership enterprise sector, brothers all:

Just a few days prior to the commemoration of the first anniversary of our people's Sandinist revolution, the Ministry of Agricultural Development is sponsoring a first commitment campaign, at the same time reaffirming its willingness for revolutionary and Sandinist labor. We might say that the day is coming when each of us will undertake a review, an analysis of our work, of our organization, and of the level of achievement of the goals we have set ourselves since the beginning. We want to tell you that we are very satisfied with the work, discipline, spirit of advancement, level of fulfillment, without schedules, which we have been able to see throughout our work with all the comrades who are a part of this revolutionary institution, and we want to tell you that we can feel proud of having pursued a formidable revolutionary effort which has been profoundly altering the structures in the rural sector, bringing with it at the same time social benefits which this revolution promised the peasantry. And on the other hand we might say that there has been satisfactory fulfillment of the production plans for which we have had to take responsibility, since a vast program of confiscation and expropriation of the Somoza holdings has been undertaken.

State Productive Organization

Summarizing these achievements, we might stress first of all the productive organization in the state sector, which with more than 1,200,000 manzanas [blocks of land] has been able to support to organization of more than 20

farm enterprises, providing work to tens of thousands of workers in the rural sector, who have benefited from the new production relations and the immediate advantages which have come to improve their living conditions substantially. More than 2,000 production units have been affected, which were scattered and neglected and to some extent destroyed, without any knowledge on our part of their inventory, their productive history, their aptitude for crops and livestock. Now we can say that we have succeeded in providing all of these units with organization and planning. In an achievement thanks to the efforts of the departmental INRA leadership, the comrades in the economic planning division, we have succeeded just a few months subsequent to our triumph in providing all of these productive organizations with a technical economic plan establishing all parameters from financing to income, representing a truly historical effort which has served to change and modify the productive organization and structure in the country. Previously unknown, neglected, disorganized and anarchic, they have now been made productive and concrete under the jurisdiction of the revolutionary workers, and being administered in serious and efficient fashion. For the INRA--within this organizational effort mention must be made of the agrarian reform agroindustries sector--has under its jurisdiction, as you know, the sugar industry, the rice and tobacco plantations, foodstuffs, slaughterhouses and, basically, the livestock branch.

In this realm, we should mention as an exemplary element the fact that we took over the majority of these production units in a state of financial and physical destruction in almost all cases. In a short time, through the effort, patriotism and initiative of the administrators, technicians and workers employed in the agroindustries branch, we have succeeded in increasing production, in some respects above the 1978 level.

In this way, when we compare the production branches the INRA has under its jurisdiction including its departments such as Agro-INRA, and when we observe their results, we are entirely certain that we will achieve great triumphs in the production sector. Moreover, large service enterprises, which are an example of labor and efficiency, have been organized. We have the farm mechanization enterprise, which has responsibility for all of the technical methods of cultivation, in a broad dimension ranging from care of the plantations to aid to the small producer. We also have another large enterprise--Proagro--which from a somewhat scattered and limited beginning has become the largest supply enterprise in the country, devoting vast concern to the farm sector, including the expansion and organization of the supply centers in the rural areas. We have the air services enterprise, in the organizational phase, the irrigation enterprise, the seed production enterprise and others. The important thing in any case is to note the level of organization, of planning, which all of these farm enterprises have achieved. To our way of thinking, they are the guarantees of the development and expansion of the people's ownership sector, which has the support of the revolutionary state and the basic support of the working class.

During all these months we have been making a very special organizational effort in order to be able to play a guiding role in the agricultural development of Nicaragua. We began in principle with the INRA, which merged several institutions existing in the Somoza era in disjointed fashion. This was for us the first problem, a complex problem which became more difficult from the organizational point of view when the national reconstruction government decided to place the INRA and the MIDA under the same leadership.

Concerning the Problems

We know what a great responsibility this represents. Nicaragua is basically agricultural and its exports are of farm origin. The people of Nicaragua for the most part live in the rural sector, with some more or less developed centers from the urban point of view, but with the majority of the people of the country, which has no more than 2 to 2 1/2 million inhabitants, retaining characteristics absolutely identified with agriculture and the peasant way of living and working. Here we have no immediate prospects for industrial development. Of necessity we must base our plans on agriculture, and it has been an extremely difficult and complex responsibility for us and for the employees of the ministry to deal with the whole problem of organization. We might mention that we have not yet been able to resolve all of the problems in the organic structure of the ministry. On the one hand we have the INRA, which has to some extent been absorbed in the ministerial structure, and still does not have a clear enough institutional form. We also have an important sector of the MIDA, the National Institute of Agricultural and Livestock Technology (INTA), and Regulation and Control, mainly the structures remaining in the north highway area, which as time passes, with every passing day we might say, suffer deteriorating coordination and functioning. But we want to explain that we have followed these problems closely and we are now drafting a definitive structure placing each of the bodies which remain scattered within a single ministry which we are planning, and which will probably have to change its name. It will include the functions of agrarian reform, not as an institute, but as a part of the functions of the Ministry of Agricultural Development, and will include farm policy commissions, again not as something separate but structured within the ministry. It will include the INTA, Regulation and Control, and all of the other offices existing there in a single structure, with very clear functions of support and supervision of national farm development. This means that our ministry should now become the ministry of agrarian reform and agricultural development, and it must take into account, we might say, three types of production.

State production and the processing of state production. There is a need to resolve the major problems we still face in this ministry, problems of a financial nature, problems in expansion and problems in rationalization. It must be said that some of the enterprises under the Institute of Agrarian Reform have adequate technology to justify administrative supervision, and concern from the state point of view. But there is a complex

of production units which are underdeveloped and lacking technological conditions, lacking economic conditions in terms of productive forces which would justify our having to divide state and administrative concerns, because this administration becomes very costly for us. Therefore, we are seeking economic alternatives for resolving this problem: breaking up the state production area as an intensive and technical production area where there was need to seek areas for expansion, since currently we have almost all of the estates in very separate, we might say anarchic form, which has been causing us tremendous problems in terms of economics, administration, time, development, etc.

We must also resolve the problem of labor productivity. We now know that in many zones, particularly the western sector, there are productivity problems. We might say that it is inexplicable that here where capitalism has been unable to resolve the problem of regular work for the peasants, a type of farm worker who does indeed work as a peasant during a part of the year has been created. This peasant is now gradually slipping into a situation of poverty, and finds himself forced during a certain part of the year to sell his labor force on the estates. But his thinking, now that the revolution has created credit possibilities for the peasants, is such, we have noted, that the peasant comrades want to withdraw their plots, and this deals us a harsh blow, creating a social and economic problem which may deal a harsh blow to the export economy. Some have said that the workers do not want to work, due to laziness, tradition or opportunism. We have seen that it is not that they do not want to work on an estate where organization is still inadequate, where the workers are still awaiting the social benefits, because inevitably someone who is not sufficiently adapted as a farm worker, a farm wage earner, tends to seek a way to utilize his time better as a peasant than as a farm worker.

Profound Consciousness Raising

This is a challenge which we must begin to take up, apart from the fact that there are situations in the rural sector in which the revolution has created all the possibilities of satisfying the old demands of the worker. There has been a mechanical assumption that the first thing which must be done is to shorten the labor day and raise wages. We have stressed that the labor day cannot be shortened, but must be lengthened and wages must be maintained. It is necessary to explain this to all our brothers, to all the workers. And if there is a commitment we must make it is to resolve the problem of labor productivity, which in one sense is the problem of labor organization, the organization of production in the entire state sector. We think that our tasks, once we have completed the inventory, the basic organization of the enterprises, is to go more deeply into raising the consciousness of the worker, developing an awareness of solidarity, a social awareness, an awareness of revolutionary function and national reconstruction. We believe that we are in a country facing many problems in its development. First of all, there is a weak productive structure which has had to bear the weight of the major demands of the working masses.

Spending More Than Is Produced

First of all we 'ave had to increase health services, to develop a vast literacy campaign, to begin to scatter housing throughout the rural sector and the cities, to increase our public administration expenditures, that is to say to expand expenditures of a social nature, and this with a weak productive structure which inevitably must support all these astronomical expenditures, in terms of what the dictatorial state spent in the past. We have a structure and an economy which is weaker than that in the Somoza era. However, our social expenditures are double or triple, and in some cases up to 10 times more than the Somoza regime spent. Where is this coming from? It must come from the surpluses of the enterprises, both state and private, and this has already created our first problem which is how then to develop Nicaragua? What is the line of development? For you know that the economies of all countries have a certain type of accumulations, of domestic savings to invest and expand production. We here have the problem that we are still in the reconstruction phase. We must spend a great deal, and all, almost all that we have, we spend. Worse, we spend all and we are further in debt, because what we spend is more than what we are producing now.

Thus our development is being limited. We could say that we might easily be in a stage of stagnation. However there are two additional problems which must be familiar to you: one is the problem of payment of the foreign debt. If we produce \$500 million this year, you know that if we had paid the foreign debt, both amortization and debt service, we would practically have used up all of Nicaragua's exports, all the foreign exchange obtained from exports. However we will not yet pay all these debts. But in 1981, 1982 and 1983 we will still have this foreign debt to pay. And how much are we going to produce in 1981? Perhaps \$700 million, with \$800 million perhaps in 1982, while what we have to pay is \$500 million or \$600 million. And yet we have not examined the third problem, which is oil for Nicaragua. We are spending millions of dollars a month in hard currency to purchase oil. And next year we will have to buy more oil, perhaps spending \$230 million, depending on the price, and \$300 million or \$400 million in 1982. How then are we going to pay for the social services which we must expand and extend in an ever more vigorous and extraordinary fashion simultaneously? How at the same time can we buy oil, how can we pay the foreign debt at the same time, and how can we develop Nicaragua?

The Answer Is Saving and Labor

Where will we find the surplus to develop the country? We have only one answer, and that is the labor and the savings of all Nicaraguan citizens. We must habituate ourselves to living under a war economy, in which a whole series of articles of a luxury nature must begin to disappear in order to be able to save. You know that millions of dollars have been spent

on cosmetics, on trinkets, imported from abroad. We have been importing consumer articles which we could say are unnecessary, which will have to begin to disappear.

Obviously, some will say, in this economy where there are communists, these are the first things to disappear. We must state that there are men here with social conscience and a clear understanding of the problems of the masses, problems which are not seen in any underdeveloped and capitalist economy, where while there is a privileged majority which drives expensive vehicles, consuming gasoline right and left, there are people who go about searching the garbage cans for food and people dying of hunger, people dying because of health problems which could perfectly well have been avoided with a basic system of prevention. Here then is the true alternative and the challenge. We must resolve the problems of all the masses, of the country, and we will resolve the problem of the economic development of the country, by tightening our belts. We must not be thinking now that we are offering well-being, that we will have all the markets full here, because really this is something we cannot achieve. We would be lying to our people if we said that this country, with this Sandinist revolution, will resolve the problem of oil supply, that there will be sufficient production goods and that we will have a miracle, that everyone will have a car, that everyone will have big houses and privileges. Quite the contrary. What we have to offer here is the sustained economic development of the country and the satisfaction of the needs of our people on the basis of sacrifice today, and a part of tomorrow, and on the basis of self-sacrificing, patriotic and indefatigable labor by all of the revolutionaries. Work and more work. We must obtain enough to pay for the oil, the social expenditures, the foreign debt and investments from the daily labor and more labor, voluntary labor everywhere so that we can truly multiply our strength with the limited number of inhabitants we have. Thus we must say that probably the individuals who will have more responsibility in these tasks are the comrades of the MIDA, because they will have the responsibility for state production, which is already in itself formidable. You already know the production figures the state has checked, and if they are not so high from the point of view of quantity in some branches, we can say that in terms of economic concentration this is something formidable.

We must deal with two other farm areas, those producing cotton, coffee and meat for export, and others which play a great role in private business. We must provide some guarantee to the goods producer, protect the goods producer, the producer who will contribute to economic development with his surpluses as well. For we could ask how can we resolve the problem of development and decide on expropriation. But we can also resolve it by implementing a series of mechanisms pertaining to profits, which were previously immoral profits, working against the development of the masses, working against the economy of the people. Now through foreign trade, through taxes, through the banks, through savings, we have control over these surpluses, and it is necessary to organize their incorporation.

Independence Is Basic

The cottongrower here who can obtain let us say 2,500 bales of cotton is developing or contributing to the development of the country. But if from these 2,500 bales he pays patriotic taxes and pays interest on capital, taxes on the interest, income, production, we can truly say that this individual can live modestly here perhaps better than many. However these are the contradictions of material life. The basic thing is to emerge from underdevelopment, from dependence. To resolve the problems of the masses is the fundamental thing. We are speaking of the economy of a society, of a revolution which does not think schematically, because it seems to me it would be very simple to tell you that we will implement all the laws of socialism, and expropriate everyone here, so that all would applaud, but we must tell you that the path we are choosing is not this one, but a path which will liquidate dependence first of all, one which will affirm the independence and sovereignty of Nicaragua, which is the basic thing at this time. To be independent and sovereign, to have a country, a fatherland, where we can develop as citizens and where no one can come here to say what we must do and where we must go, but where rather we Nicaraguans will decide.

To Produce Is the Social Function of the Land

We must therefore see with maturity and seriousness that along with state production, there must be efficient production, that we must guarantee this efficiency, because what does not provide efficiency has no reason for existing, he who does not work in this country has no right to receive credit nor state support, because here there are major problems we have inherited from the Somoza era, inherited from the liberals and conservatives over the past 150 years, land ownership wherein only 2 percent of the land of the country belonged or was available to hundreds of thousands of men who had hardly enough to live on, and in which more than 50 percent was managed by some 200 persons. Then, independent of this problem of land ownership, we have the problem of inefficient use. There are people here who have 15 or 20,000 manzanas. By what right? If the land is a condition for production and for life, it cannot be subject to indiscriminate ownership, perpetual and absolute ownership. That ended on 19 July. Here ownership must have a social function and we believe that it must produce well. It is the land which gives the workers worthy employment, which produces taxes and foreign exchange, which can provide a living for the workers under conditions similar to those of the workers in the cities, providing them as human beings with housing, good settlements and food. This is what we will protect and encourage.

Heritage From the Capitalist Structure

Anything outside of this will undoubtedly be subject to state sanctions, and many in this country already know what this means. We must proceed to resolve the problem of the peasantry, this is the third aspect, because the

MIDA must get peasant production functioning here, peasant production which has always been isolated, neglected, excluded, or simply the lack of land, the problem of tenant farming and sharecropping. We could not seize just any land. If we do not obtain land from somewhere, the invasions and demonstrations will continue to occur, because a peasant community which no longer has any land, which is left without land, which does not even have a place to bury its dead, suddenly invades a cotton plantation or a rice plantation or lands producing crops for export in order to keep some hogs there or plant some grain for their own consumption. This is not our problem. This is not a problem of our creation. It is a problem due to the reactionary capitalist structure which exploited and plundered the peasantry, and for this reason we have said that the land available to the state is inadequate at this point, and that it should not be believed that we will undertake agrarian reform on the Atlantic coast as Somoza wanted to do it, as many want to do--those who want to put the population near the developed areas with infrastructures out of there, and push them into places where the farm frontiers are closed.

This is all very well, to bring here all the peasants from the Tonala, San Jose del Ohraje, Rivas, Matagalpa, Madriz and Nueva Segovia settlements, putting them into a second phase of the Rigoberto Cabezas Project. At no time will we do this. We will pursue agrarian reform where agrarian reform is needed, and we have problems with the land. Every day we receive protests.

We have decided to study, in order to make recommendations to the government junta, the law which will regulate the use of the land, by means of which all the idle land in the country will be subject to expropriation. This also means that the revolution is advancing and that there is a political will on the part of the FSLN [Sandinist National Liberation Front], the workers and the peasants, the patriotic youth, the business sectors, the farmers who are also working for national reconstruction to continue to advance with the revolution, along with the expropriation of the large estates which remain idle in the hands of people who are hardly even familiar with it. We will resolve this problem, this problem of the dozens of thousands of men who have no land, who no longer have a way of earning a living or that of their families. Then, to the benefit and stability and peace of this society, these reports, these daily telegrams saying that this or that community has invaded some cotton plantation somewhere will cease to be received here. This problem will be ended, and the cotton-growers can function in tranquility, the livestock breeders will be able to work their lands efficiently and calmly as well. We will give those who do not work with sufficient efficiency a certain time, a period, in order to show that they are efficient. But with this we will have taken, we might say, the third step in agrarian reform.

Seven Thousand Organized Producers

First, we must return to our people the land usurped by the Somoza regime, and secondly we must promote the cooperativization of the scattered individual peasants. It should be said in passing at this point that with the aid and cooperation of the comrades of the INRA, the Procampo, the National Development Bank and the ATC [Agricultural Workers Association], which has been, we might say, formidable and correct and brilliant, we have at this point succeeded in organizing 7,000 individual producers, representing almost 70 percent of the peasants and small producers in Nicaragua.

This was the second step, because where there was a small producer who was isolated, lacking technology and access to markets, perhaps lacking land, now we have an association movement in which he is no longer alone, but there are many, 20 or 30, working in solidarity and with credit, good technical aid in seeds, and access to markets. In addition we now have this third step with the possibility of having land too. This is a country, we want to say this very firmly, a country of peasants, thousands of peasants, a country of small producers, small businessmen, humble workers, and we must be aware that this is what Nicaragua is. Nicaragua is not a plan in a book in which, as was believed here a year ago, the revolution would be the result of a general strike by the workers' trade unions, that this was what would overthrow Somoza. And what did we have here? The rebellion of a popular mass made up of thousands and thousands of peasants, small producers, average producers, small businessmen, small craftsmen. In other words a people's republic, a republic of humble people, and we must be aware of this structure, aware of this form in order to give it order within social progress, because to take the individualism of small production away from the peasant means socializing him. And we could state clearly that these forms of cooperatives are forms which lean toward socialist forms of production, just as the large farm enterprises we have are a socialist form of production, but to really achieve this we need to change lives, to train the comrades, we need to proceed to eliminate the differences among the various comrades. Obviously, we have inherited a complex society with great problems we must proceed to resolve gradually, but what we are interested in is that our Ministry of Agricultural Development, with its people, its energy and its intelligence, can truly deal with this very complex problem involved in establishing a balance between change within an imbalance, within what we might call a harmonic dissonance, to carry forward the three branches of agriculture, the state sector, the large efficient private sector and the small farmers. This is the challenge for the coming years--that we want to produce, and we cannot change without producing, we cannot develop without producing. Therefore production presumes an extraordinary effort in change, since development, progress and independence to a certain extent depend on production.

The Sandinistas in Power

For where the power lies here is clear. Here it is known who it is who is in power. Here it is known that the FSLN is the hegemonic political force in this country. Someone may say fine, but who are these people in power? Those in power are those who did away with the National Guard, with the reactionary regime, those who have built a formidable popular revolutionary army, those who have built mass organizations which are the axes supporting this society, those who have been able to organize a pluralistic government and one of unity. These people in power are the Sandinistas.

This Is Not Another Chile

We are not going to have here what happened in Chile. Chile began and launched a process of change when it had only the hollow shell of a government, when all of the armed forces, the courts of justice and a part of the administrative branch were in the hands of an ultrareactionary bourgeoisie such as has never been known here in this country. For here in this country, there are sectors of the bourgeoisie which cooperated with the revolution. There is an association of cottongrowers in Leon which gave the Sandinist Front a million cordobas shortly before the triumph.

And there were people here who, when other employees and modest people refused us their houses or their vehicles out of fear, conservatism or hesitation, well then these people, people including the bourgeoisie, aided the revolution, and people with a given class background and ideas began to give their assets to work for this new fatherland. And this, it must be said, while there was international tension, while there were problems in El Salvador, Chile, Uruguay, Brazil and Guatemala--one could list a hundred countries with tension, with a climate of war. What we have here is a problem of reconstruction, but all is calm. We have achieved freedom, we have achieved a democracy, one which is not working well, with all the difficulties, but we can already call ourselves brothers and we can proceed to resolve all our problems. We do not have these deaths as in Guatemala, these crimes as in El Salvador. We do not have these bloody revolutionary pacts which come while the peoples are still exhausted by repression, crime, and reactionary and fascist dictatorial stupidity. We have already achieved this, and it is very important for all of us to be able to recognize this country. We have said that there are sectors which we can help, and that we have to rebuild our country. And it is necessary to appreciate what we have achieved, the basic thing is that we have an army and we are not like Chile. The army has revolutionary men, who have revolutionary mandates and are guided by revolutionary loyalty and revolutionary ideas, revolutionary traditions.

And this is an army which is ready to fight to the final consequences when it is a matter of defending national sovereignty. When it is a question of defending the revolution and the gains of the revolution, this army is

ready to fight to the final consequences. When anyone talks here of the possibility that the sectors which are not truly national and Sandinist might return to power at some time, this army will not permit it. For we believe that at any time elections may become possible here. Let us suppose, in an historical absurdity, that the national reconstruction government is replaced by another. What must the front do? Well, it will have to go to the army and we will have to return to the field, return to military exercises and to be vigilant there, because if the revolution veers by a centimeter, a millimeter, this government is finished.

Lost Opportunity in 1927

What do we want to say to you? That it is clear to us here, for we know our history, that the bourgeois sectors lost their historic opportunity once and for all in 1927. They were not capable of resolving the problems of the country, either of production or of sovereignty, and they turned it over to the North Americans, and there they lost their chance. They could not develop the country with indebtedness and disaster, underdevelopment, backwardness and poverty. This is what we feel about the excellent administration of the bourgeoisie and the millions abroad, the millions now being enjoyed by the likes of Fernandes Holman, Somoza, Montealegre Callejas, Gonzalez, etc.

And there you have their administration, for many of them say that the INRA administration is bad. But we have their 20, 30 or 40 years of administration there to see what they did in this country. They lost their historic opportunity to achieve some hegemony, and now it is the Sandinists and the sons of the sons of the Sandinists, our revolutionary people today and forever, who have the hegemony.

Revolution Through Daily Work

Thus there is an economic challenge for all of us, which requires of our collective that it be truly heroic, truly different from the others, because I say to you clearly, comrades, without wishing to encourage in you any sense of competition or to use demagogic words, that I have the most profound impression that the problems of this country can be resolved in the fields. And that to the extent that we fulfill our goals and this country rises up and produces, the revolution has great scope. Thus the responsibility our people have historically conferred upon this collective of individuals is so noble that we cannot measure up to it without an effort of self-sacrifice and self-denial. And we are proceeding daily to measure up to this responsibility, because revolutions are not spectacular things, they are pursued daily through the routine and daily work of the comrades who are here, the employees who are taking training and dealing with things, each and every one of you, from the comrade guarding the door there, doing an extraordinary job of keeping order, to the comrade from the ministry here too, resolving other problems. With the same responsibility to build the revolutionary and Sandinist farm development of this country.

Therefore this is an opportunity for us to confirm our commitment to the revolution, to our people, to our history and to our future.

And if my words have seemed to some very harsh, you should understand that we too sometimes feel oppressed by the responsibilities and we believe that they are social responsibilities and these responsibilities depend basically on you, on your level of integration in the national reconstruction process in Nicaragua. Only in this way can you understand the role in history, and this we might say is the highest merit we citizens of Nicaragua can have--that we are living a revolution, the most important event in the entire history of Nicaragua. A revolution which can finally transform and resolve all of the problems of this country. That is where we are, and that is our commitment.

I note that there are some comrades who are not here, for I know that there are some 700 in the central sector. It is important that you summarize for the comrades who are missing some of the important things we have said here, and at the same time invite them to participate more, to be more aware of the important things developing in this country, one of which is participation.

There is then comrades a commitment to work tirelessly to resolve the problems in the rural sector, and if we can accomplish this, then we will receive the homage of our people and the recognition of the revolution.

Long live the rural workers!

Long live agrarian reform!

Long live the small producers!

Long live the MIDA workers!

Long live the FSLN!

Long live 19 July!

Long live national unity!

Long live the Sandinist revolution!

A free fatherland or death!

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CSO: 3010

NICARAGUA

MICOIN VICE MINISTER INTERVIEWED ON SUPPLY OF BASIC GRAINS

Managua EL NUEVO DIARIO in Spanish 22 Jul 80 p 5

[Text] Representatives of the Consumer Defense Page of EL NUEVO DIARIO met with the MICOIN [Domestic Trade Ministry] vice minister, Pedro Antonio Blandon Lanza, in order to give the people the most important information on the amount of basic grains that will be produced in the first harvest in the months of July and August.

Comrade Blandon told how the revolutionary government will handle this transfer to large numbers of ENABAS [National Staple Foods Enterprise] purchasers who will pay the producers of basic grains in cash.

In the same interview which we are publishing the vice minister reported that with the first harvest there will be no problem in providing enough food for the population, and so these products will not be imported from other countries. A good quantity of these commodities was purchased from abroad so that the people would not lack essential foods.

The plan for handling basic grains that our National Reconstruction Government has decided to put into effect starting with the first harvest of 1980 is a challenge for the Revolutionary Government.

This challenge is primarily directed toward ENABAS and the Small Production Commission, which has different regional groups throughout the country.

To develop appropriate planning in line with the production programs which the Ministry of Agricultural Development has outlined as guidelines for the beginning of this agricultural

season, some work has had to be done in rural areas. One of the most important jobs has been the repair of silos, which are commonly called "paniquines," and which have now been named Popular Agricultural Warehouses. These silos were found to be in a dismal condition, in an advanced stage of deterioration after the triumph of our revolution. That is why our government immediately began work on obtaining suitable financing so they could be repaired fully and as quickly as possible. The goal was to have the silos operating at full capacity by the end of the first harvest of 1980. At this time it is estimated that about 60 percent of the silos have been repaired and their storage capacity is estimated to be about 2,500,000 quintals [100-pound measure]. The remaining 40 percent are being rebuilt and many of the silos which are going to be used are being relocated, such as the one in the Esquipulas region, which will be transferred to the center of Nicaragua's mountainous agricultural area, in Waslala.

Almost 4 Million Quintals of Corn

A second job of vital importance was to try to obtain data on all the state and private organizations involved in grain production, through various commissions and through INEC [National Statistics Institute] statistics, and from the field work done by our regional groups. It was determined that the early corn harvest will be about 3,800,000 quintals, the bean harvest will be about 212,000 quintals, the sorghum harvest approximately 428,000 quintals, and the small rice production about 121,000 quintals. When the irrigated rice production is included, this comes to approximately 500,000 quintals for the period of July and August.

The country has been divided into 10 regional areas based on their ecology and their access routes; this system seemed best in terms of decentralizing the purchasing operation and dealing with small, medium, and large producers with greater efficiency.

Transport

A third difficulty to be overcome is the matter of transport, needed by the ENABAS to move grains from temporary storage centers or from permanent centers, such as the DAP [Popular Agricultural Warehouses] to distribution areas. To date, the following vehicles have been imported: 60 trucks, including 25 still to be delivered, a total of 39 pickup trucks,

and about 25 Jeeps for the regional and purchasing groups. This fleet does not of course meet all our transport needs, considering the difficult access we have, especially in the center of the country. But we do feel that with the aid of other state agencies, such as the National Development Bank and the Agrarian Reform Institute, as well as the Popular Sandinista Army, we will be able to pick up the grain in time.

Drying

A fourth support needed was the importing of portable drying units and industrial threshing machines, to be placed in different regions where, because of the lack of silos and given the production that has been stimulated by the INRA [National Institute for Agrarian Reform], and because of the amount of the small production, they will be needed. Then we will need to place temporary storage units so that grains can be collected from small producers and dried at the collection site, then sent for immediate storage by the means already discussed. While overcoming all of these difficulties, the Domestic Trade Ministry has drawn up a purchasing plan for the first harvest of this year. This plan is described below.

Buying 40 Percent of Production

1. To purchase 40 percent of the national grain production.
2. The purchases will be oriented toward the areas most inaccessible to buyers, so small producers in remote rural areas can be helped.
3. Purchases will be handled by placement in storage at support prices, or the producer will be sold sacks to move his products.
4. The Ministry of Agricultural Development has set support prices; these are minimum prices which the government would pay in case there is a grain surplus which the producer could not sell.

Prices

The support prices that the Ministry of Agricultural Development has set are as follows: beans: 220 cordobas; sorghum: 75 for the first harvest; irrigated corn: 134, when dried and clean; corn still to be dried: 70 per quintal.

5. The purchasing unit will employ the format used by the producer in each region; that is, purchases will be made by load, by measure, etc., so that there will be a similarity in the methods used by the producers within each region.

Quality

6. Quality standards for grain purchases will depend on the type of grain and will be based on an official purchasing table which the purchasers will take with them. These quality standards are known by everyone. When speaking of market support prices in general, with the exception of the price for irrigated corn, which is to be dried and clean, the other quality standards require a ripe, but not overripe, condition.

7. Private purchasers will be paid a base salary of 1,500 cordobas and a commission of 3 cordobas per quintal for rice with chaff present, corn, or beans.

8. Collection or purchasing centers will be opened in places most accessible to the producer; also, the DAP will be used as collection or purchasing centers.

In Cash

9. Grain purchases will be made in cash to small producers. In the case of cooperatives and state complexes, the use of payment vouchers to be negotiated at any Rural Credit Agency of the National Development Bank is recommended.

10. Any purchase or shipment of grains must be recorded in records prepared by ENABAS for that purpose, following instructions given to the purchasers.

11. There will be a purchasing officer in each region who will be assisted by the ENABAS official in that area.

Funds

12. Allocation of funds.

Purchasing funds allocated to different regions of the country will be distributed based on the expected production in each area and will be channeled through the purchasing officer who in turn will distribute funds to the purchasers established in the collection center, in accordance with instructions they have received.

13. Bonding and Life Insurance Coverage

Bonding and life insurance coverage will be provided for the protection of the purchaser and of the Agency's property.

14. The head of the Domestic Trade Ministry, in the first instance, and the regional purchasing officer, in the second instance, should try to coordinate with mass and state organizations information to be released on prices and aid that may be provided for the movement, collection, and storage of grains.

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CSO: 3010

STATE COUNCIL APPROVES TEACHING OF MISKITO, ENGLISH

Managua BARRICADA in Spanish 2 Aug 80 p 12

[Text] The Council of State approved a bill presented by the organization known as MISURASATA [expansion unknown] which will authorize instruction in children's native tongues (Miskito and English) during the first few years of school, while instruction in Spanish will be introduced gradually.

This is a major step toward eliminating the isolation of these communities, breaking linguistic barriers and hastening their integration into national life.

Moreover, the bill will preserve, rescue and promote the Miskito, Sumo and Rama cultures.

Unfortunately, the traditional sectors of "opposition" within the Council of State (the delegates from private enterprises) tried to engage in demagoguery with this bill. Although it is part of the Revolution's plans, this project should be developed over time, with sufficient funding.

What Does the Law Mean?

The law authorizes the Ministry of Education to undertake pre-primary instruction and instruction in the first four years of grade school in the children's native tongue (Miskito and English) in the indigenous and "criollo" communities of the Atlantic Coast.

In addition, instruction in Spanish will be incorporated gradually into the studies, so that in a few years these people will be able to assimilate completely in the nation without linguistic problems, but also without damaging their own language and culture; on the contrary, efforts will be made to preserve their language and culture.

In the case of the Rama and Sumo tribes (whose population is small), there is one obstacle in the way of this plan.

Neither of these languages has a written code, so that it will be necessary to develop one for the purpose of translating it and programming studies.

Right now there are about 15,000 Sumos in the country, spread throughout the mining regions; there are only seven Ramas who speak their dialect in pure form.

Although there are several thousand Ramas, they speak English, or they combine the three languages.

The "Opposition"

Using demagogic language, trying to take advantage of the situation in order to project a very progressive image, some elements of the private sector, as well as Alvaro Jerez of the Nicaraguan Democratic Movement (MDN), claimed that the Ramas and the Sumos should be included in the program.

Commander Arce, president of the Council of State, had to intervene quickly to clear up the situation.

He explained that the Council is a serious organization in which responsible action should be taken; there is no room for rhetoric or demagoguery.

He pointed out that these languages have no written form, which makes it impossible to apply this program as of 1981.

He said, however, that the fundamental problem is one of resources and production. "The Revolution must face harsh reality. We must strengthen and maintain a real structure of production in order to solve this and other problems," stated Commander Arce.

He asserted that the Ministry of Education will need more than 2 billion cordobas for 1981 in accordance with the demands of the Revolution, but the problem is that such funds are not available.

He called upon the organizations to "win for us the confidence of the people with honest attitudes," not with demagoguery.

Criticism of MISURASATA

Comrade Ronald Paredes of the Sandinist Defense Committee (CDS) criticized MISURASATA Council of State delegate Steadman Fagot because on a recent visit to the indigenous communities it was found that there really were great expectations by the Sumos and Ramas regarding the approval of the bill.

That was done irresponsibly, without considering the needs or possibilities of the process. Such action does not indicate a mature and responsible attitude toward the masses.

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BRIEFS

IMPORT-EXPORT FIGURES--Paraguayan exports during the first half of this year reached \$134 million. This represents a \$37 million decline as compared to the same period last year. Imports reached \$243 million, but during the same period last year imports cost only \$207 million. [PY262325 Asuncion ABC COLOR in Spanish 15 Aug 80 p 15]

ELECTRICAL ENERGY--The National Energy Commission reported that our country will use from 15 to 20 percent of the energy produced by the Paraguayan side of the Itaipu Dam during the 1980-90 decade. [PY262325 Asuncion ABC COLOR in Spanish 22 Aug 80 p 13]

NAVAL DELEGATION TO ECUADOR--A Paraguayan naval delegation headed by naval Commander Rear Adm Cesar Cortesse has left for Quito, Ecuador, to attend the inter-American naval conference. [PY262325 Asuncion LA TRIBUNA in Spanish 23 Aug 80 p 3]

CSO: 3010

OFFICIAL COMMENTS ON UNCTAD MERCHANT SHIPPING MEETING

PY262149 Paris AFP in Spanish 1917 GMT 24 Aug 80

[Text] Lima, 24 Aug (AFP)--Adolfo Leon, Peruvian representative to the Maritime Committee of the United Nations Conference on Trade and Development [UNCTAD], which will meet in September in Geneva, (?has stated) that the Soviet Union wants to take over all the seas and that this is why it has been developing its merchant (?marine) for the past 15 years.

Adolfo Leon, who has 30 years of experience in national and international merchant marine affairs, explained that the meeting includes a discussion of open registries and the registries of flags of convenience. The Soviet Union has requested the removal of this latter system.

Leon added that if the USSR proposal is approved Western countries will be forced to take a position, and that if this happens there will be a true clash between the United States and the Soviet merchant marine despite the fact that the United States is in an inferior position, because of the strong position of its merchant marine unions.

He added, however, that the United States is the first among the importing and exporting countries of the world and will, therefore, offer its cooperation to prove that because of economic reasons the use of flags of convenience is a useful practice for Western merchant trade.

Leon added that Third World countries are striving to participate more in the transportation of their cargo but without ending the use of flags of convenience.

After noting that this meeting will be the culmination of important work that has been carried out since 1972, the Peruvian expert said he hoped the UNCTAD Maritime Committee will arrive at favorable conclusions for the merchant fleets of Third World countries and the practice of using flags of convenience based on economic and not political reasons.

CSO: 3010

BRIEFS

JOURNALIST DETENTION--Lima, 26 Aug (AFP)--The chief of the National Information Service (SINADI), Miguel Alva Orlandini, condemned here today the detention in Bolivia of AFP correspondent Albert Brun. He expressed his repudiation of the measure during a meeting with the Association of Foreign Press Correspondents in Peru. The detained journalist is the chairman of this organization. The Association of Foreign Press Correspondents this afternoon was also coordinating an expression of condemnation of the Bolivian Government and solidarity for Brun. [Excerpts] [PY271436 Paris AFP in Spanish 2308 GMT 26 Aug 80]

IDB GOVERNOR--Lima, 22 Aug (LATIN)--Manuel Ulloa, prime minister and economy and commerce minister, has been named Peruvian governor before the IDB. Ulloa will also hold the same position in the IBRD, the International Financial Corporation (IFC) and the International Development Association (IDA). Pablo Kuczynski, energy and mines minister, was named alternate representative to these organizations. [PY261953 Buenos Aires LATIN in Spanish 2226 GMT 22 Aug 80]

WORLD BANK LOAN--Lima, 26 Aug (LATIN)--The World Bank has approved a credit of \$132 million for Peru. The energy and mines minister reported that \$100 million will be used to enlarge the Cobriza copper mine and \$25 million for the new transmission line from the Rio Mantaro hydroelectric power plant to Lima. Another \$7.5 million will be used for the final studies of the Bayovar phosphorous processing plant in Piura Province. [PY272032 Buenos Aires LATIN in Spanish 0241 GMT 26 Aug 80]

RESTRICTIONS ON FISHING--Last night Fisheries Minister Rene Deustua announced that the government has decided to prohibit fishing for anchovies. It has also decided to temporarily prohibit fishing for sardines in order to preserve the species and rationalize fishmeal production. These measures were taken due to a report issued by the Sea Institute of Peru (IMARPE). [PY142157 Paris AFP in Spanish 1414 GMT 14 Aug 80]

NEW BANK OFFICIAL--Manuel Velarde Aspillaga, a graduate of the Harvard University, has been appointed president of the board of directors of the Peruvian Industrial Bank. [PY142157 Lima Domestic Service in Spanish 1200 GMT 14 Aug 80]

BRIEFS

JULY COST OF LIVING--Montevideo, 19 Aug (AFP)--The Statistics Department of the Economy and Finance Ministry has reported that the cost of living in Uruguay during July increased by 5.62 percent. [PY261959 Paris AFP in Spanish 0601 GMT 20 Aug 80]

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